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ABSTRACT

This document contains testimony and prepared statements presented at a hearing held on the initiative of the U.S. Student Association as the kick-off for a series of student-led regional hearings on the Higher Education Act and particularly the financial implications that students and families from across the United States to be held across the nation during the Higher Education Act reauthorization process. The purpose of this campaign is to ensure that students' suggestions are heard before the bill is marked up. Among issues addressed were why the gains in equal access to education, seen between 1945 and 1980, have broken down in the last decade; and what should be done to strengthen the bill so that access may be protected and increased. Witnesses testifying before the joint committee and presenting prepared statements included students and officers representing various universities and colleges, as well as national student organizations. Also presenting their comments were the following: Frank Newman, President, Education Commission of the States; Tajel Shah, Vice President, U.S. Student Association; Americo W. Petrocelli, Commissioner of Education, Providence, Rhode Island; Brenda Dann-Messier, Director, Rhode Island Opportunity Center; and Seth Kurn, Executive Vice President, New England Institute of Technology. (GLR)

S. HRG. 102-220

REAUTHORIZATION OF THE HIGHER EDUCATION ACT: U.S. STUDENT ASSOCIATION

ED342342

JOINT HEARINGS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

AND THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

ON

EXAMINING THE HIGHER EDUCATION ACT AND PARTICULARLY THE FINANCIAL IMPLICATIONS THAT STUDENTS AND FAMILIES FACE ACROSS THIS COUNTRY

MARCH 18 (WASHINGTON, DC), AND APRIL 15 (PROVIDENCE, RI), 1991

Education and Labor Serial No. 102-42

Printed for the use of the Committee on Labor and Human Resources and the House Committee on Education and Labor

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT: U.S. STUDENT ASSOCIATION

MONDAY, MARCH 18, 1991

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND HUMANITIES,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
AND U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The joint subcommittees convened, pursuant to notice, at 9:10 a.m., in room SH-216, Hart Senate Office Building, Senator Christopher J. Dodd and Representative William D. Ford, presiding.

Present: Senators Dodd, Simon, and Wellstone.

Also present: Representatives Ford, Barrett, and Mink.

OPENING STATEMENT OF SENATOR DODD

Senator DODD [presiding]. The Subcommittee on Education, Arts and Humanities will come to order. We meet this morning to consider and hear testimony on the reauthorization of the Higher Education Act.

Let me at the outset congratulate the U.S. Student Association for having taken the initiative to ask for this forum to discuss the Higher Education Act and particularly the financial implications that students and families face across this country.

I am particularly honored to be sharing this dais and this committee room with Congressman Bill Ford of Michigan, the chairman of the Education and Labor Committee of the House of Representatives, an old and dear friend of mine and certainly no stranger at all to the education community at large in this country. If there has been one name that has been associated for many, many years with a commitment to excellence in education, it has been Bill Ford.

Senator Claiborne Pell chairs this subcommittee of the Senate Committee on Labor and Human Resources and regretfully cannot be here this morning. But again I suspect that many of you in this room, if not yourselves, others that you have known over the years, have been recipients of Pell grants. And of course, Claiborne Pell is the father of that program and very, very much wanted to be here this morning to listen to your testimony but, as I said a moment ago, was unavoidably detained and could not get down here. So he asked me as a member of the subcommittee to sit in for him.

So we welcome you all here today. As a member of the Senate subcommittee I can speak firsthand, to the fine leadership of Senator Pell and his commitment as well as the commitment of Senator Kennedy, the chairman of the full committee, on these issues.

When the Higher Education Act was first authorized in 1965, its purpose was to make postsecondary educational opportunities more accessible and more affordable. Alice Rivlin, Assistant to the Secretary of the Department of Health, Education and Welfare in 1969, defined equal opportunity in education as, and I quote her, "The guarantee that every student with the ability to pursue a higher education should be able to do so regardless of her income, race, or place of residence."

Unfortunately, while broad trends of equity and gains in equal access were made between 1945 and 1980, they have broken down within the last decade, according to a recent report of the American College Testing Program.

While many of us still maintain that the Federal role is to make higher education more accessible, the Federal share of available financial aid dropped from 83 to 75 percent over the course of the 1980's. This is due, in great part, to rising tuition costs, the inability of the Federal grant and loan programs to keep pace with the rising costs and rising default costs of the student loan programs.

We have also seen the balance between Federal loans and grants shift from the mid-1970's. Loans have replaced grants as the major source of student aid. As reported by the College Board, 76 percent of Federal aid to students in the mid-1970's was in the form of grants and 20 percent in the form of loans. In sharp contrast, by 1987–88, the ratio was 29 percent grants and 67 percent loans.

With the reauthorization of the Higher Education Act now underway, we must take this opportunity to review the strengths and weaknesses of the Federal programs. We must examine ways to improve the availability and delivery of Federal financial aid. Low- and middle-income families alike are having serious difficulty saving for and paying for higher education costs. The access and opportunity gap as it relates to family income has grown by 10 percent since 1980. Today, more than twice as many youth from the highest family income quintile participate in college than youth from the lowest family income quintile. Students are forced to incur enormous debt to pay for the costs of higher education.

I feel we must restore the integrity of student loan programs and the purchasing power of the Pell grants. Student loan defaults cost the Federal Government close to $2.4 billion, in 1990, 45 percent of the GSL program obligations. In 1980, the average Pell grant covered 41 percent of tuition costs. A decade later, Pell grants cover only on an average 26 percent of student costs.

We need to bolster existing and create new programs to improve the participation rate and retention of minorities and nontraditional students in higher education, and we must work with our postsecondary institutions to help them reverse the trend of deteriorating facilities.

While postsecondary education opportunities in the United States still far surpass those in other industrialized nations and more Americans each year seek higher educational opportunities, we cannot rest on our laurels.

Today more than ever before, our economic competitiveness and national security depend on an educated and trained workforce. By the year 2000 at least 75 percent of jobs in this country will require education and training beyond high school. For this reason, it is essential that we continue to make quality education and training opportunities available to all Americans regardless of income, ethnicity or gender.

I am anxious to hear your testimony this morning and looking forward to working with the U.S. Student Association through this reauthorization process.

Chairman Ford.

OPENING STATEMENT OF REPRESENTATIVE FORD

Mr. FORD. Thank you very much, Chris. It is a pleasure to be here with you, and I am sorry that Claiborne couldn't be with us this morning. We have spent a good many hours together over the years, and he is clearly one of the best friends that college students ever had in this country. We do not have, in the usual sense, legislation pending before us, but we are already in the process of reauthorizing all of the student aid programs through the reauthorization of the Higher Education Act.

On the House side, Mr. Coleman of Missouri, the ranking Republican, and I started about a month and a half ago, as a matter of fact, the process by soliciting recommendation from over 150 associations here in Washington who purport to speak for higher education. That includes the U.S. Student Association. And we expect that we will have the combined effort of the 150-plus organizations that have been contacted, the Administration, other Members, and also Senator Nunn's committee which had hearings on the loan program last year. We will then undertake a series of hearings around the country and in Washington on the subject matter of the Higher Education Act without having a specific piece of legislation before us.

We will not be asking people to endorse or oppose a President's bill, a chairman's bill, a Democratic bill or a Republican bill. We haven't done that for a good many years on higher ed reauthorization.

Senator Pell and I chaired the higher education reauthorization in 1979 and 1980, and then I chaired the reauthorization in 1985 and 1986 with Senator Stafford of Vermont. And now I am back with Senator Pell again and very happy to be working with him and with my friend, Senator Chris Dodd.

We expect that because the process did elicit considerable interest in the education community the previous two times we've used it, that process will work again. But for it to work, it depends on every group and organization, including this one, being able to do something more than groups and organizations are normally willing to do in an attempt to influence legislation. It's very easy to have a group decide on great propositions such as, "We need more money for higher education." We probably don't get any resistance to that at all. But that doesn't tell us anything. We know that. How should it be spent? How specifically should it be spent so that we get the most in terms of purchasing educational opportunity

and removing economic barriers from people who would profit from Federal assistance?

You know, Chris, we used to operate constantly with our friends in education who were always giving us what I call "Will Rogers solutions." Perhaps many of the students here haven't heard of the Will Rogers solutions. Back during World War I, when Will Rogers was still running around the country as one of the great commentators on public events in what was generally considered to be a humorous monologue that he gave from the stage of theaters around the country, he pointed out that the German submarine menace in the Atlantic Ocean, if the Navy would just listen to him. He said that we had more surface ships in the Atlantic than the Germans did, but they obviously had a very substantial number of submarines. And Will Rogers said, "I solved the problem for the Navy. I told them all you really have to do is heat the Atlantic up until it becomes unbearable in those submarines, and when they surface, you simply knock them off with your surface ships."

Well, the Navy then, as it sometimes does now, suffers from a lack of a sufficient sense of humor to appreciate that and said, "Well, how do we heat up the ocean?" Will Rogers replied, "Look, I've solved your problem, now you work out the details." And that is the way people like to tell congressional committees to solve problems. You come in with a solution to the problem and expect that somebody here will work out the details.

Higher education is one area where for a good many years we have relied on you to work out the details for us, and we have listened and been guided by the people directly affected instead of by any group of people on either a House or Senate committee. The process will go on rather quickly. I think the comments are due in the 8th of April, and then they will be codified and redistributed so you can see what everybody else is suggesting and who is suggesting it and what they give as a rationale for what they want done.

One final comment, Chris. Mr. Coleman and I have discussed this at some length. The last time around we sort of dusted off the furniture and rearranged it a little bit because we got bogged down in how we could make an education policy that would fit a certain straitjacket of dollar amounts. That is because there are a lot of people here in the Congress who don't remember that the job of legislative committees is not to write budgets, but to write legislative policy in the area of their presumed expertise and their responsibility.

And so what has happened is that some people regard the process of authorizing programs to be the process of budgeting for the programs. The last time we went to conference on higher education reauthorization, we had over 700 differences between the House and the Senate bills. Those were resolved, as they frequently are, without a great deal of difficulty. But the interesting thing is that the Senate, then in control by a different chairman, insisted that we agree on a ceiling on how much could be spent before we ever talked about the policy. In other words, we decided how much we were going to spend and then went back and decided what was necessary.

Now, if we had run the space program that same way, we would still be watching the Russians orbiting the Earth while we sat here

fighting amongst ourselves about how much we were willing to spend for it. And if we had run Desert Storm that way, they would still be revving up the engines on the first tank.

That is not the way we deal with problems that we perceive to be of value to the present and future of this country under normal circumstances. And we believe, that President Bush has given us a signal that he thinks that education is a very important priority for this Government to take action.

We hope to see Desert Storm-type action in education during the balance of this year. And as one of the chairmen involved, I am going to do everything I possibly can to help President Bush keep his promise to be an education president. I think that President Bush has been sincere in what he has been saying about education, but he has been giving us too many Will Rogers solutions and we have to wait and see what the specifics are, how he wants us to heat up the ocean before we can judge his presidency as a pro-education presidency or not.

We are here ready, willing, and able to work with him. The suggestions coming through the White House and elsewhere in the administration will carry every bit as much weight as any organization in the country. But I assure the Student Association none of them will have more consideration than the suggestions that come from the students not only here in this hearing but, as has been our practice in the past, across the country every time there are hearings. We will insist that there be student representation from both public and private institutions at those hearings, not only to monitor them but to participate.

I thank you, Chris, very much.

Mr. Barrett, did you have a statement you would like to make?

Opening Statement of Representative Barrett

Mr. Barrett. Thank you, Mr. Ford.

I guess in the interest of time I would simply want to echo the opening statements by Senator Dodd and Representative Ford in welcoming you people to Washington, the U.S. Student Association. As a member of the Postsecondary Subcommittee of the House of Representatives, it will be my pleasure to work in the next year, year and a half, in helping in the reauthorization of the Higher Education Act, which as you know must be completed by September of 1992.

This is, I believe, the first hearing of the Postsecondary Subcommittee of the House, and it is particularly nice to join Senator Dodd and my chairman, Mr. Ford, in this hearing this morning.

Welcome to the capital. I look forward to hearing the testimony, and I look forward to working with any and all of you in the months ahead.

Thank you, Mr. Chairman.

Senator Dodd. Thank you very much, Congressman Barrett.

Mr. Ford. Without objection I would like to introduce at this point the Opening Statement of the Hon. Thomas E. Coleman of Missouri, the ranking Republican member of the House Committee on Postsecondary Education.

Senator Dodd. Without objection, so ordered.

[The prepared statement of Representative Coleman follows:]

PREPARED STATEMENT OF REPRESENATIVE COLEMAN

Mr. Chairman, I am pleased that the House and Senate Subcommittees which will be reauthorizing the Higher Education Act have come together to hear from the most important constituent of these programs—the students, who are the direct recipients and beneficiaries of Federal student aid programs.

This reauthorization will likely be, in the words of the Washington Post, "the most important social legislation" of this Congress. The Higher Education Act contains over sixty programs, but the heart of the legislation is title IV, which provides more than $20 billion annually—in grants, loans, and work study support—to nearly one-half of the Nation's 12 million students enrolled in colleges and job training programs.

This reauthorization promises to be one of the most dramatic and comprehensive since the early 1970's.

Program simplification will be a fundamental goal. We need to simplify need analysis and combine the current two formulas system into a single need analysis for all Federal aid.

We need to focus on retention of students at postsecondary institutions. Legislation passed in the last Congress will, I think, make students better and more informed consumer's of higher education. The "Student Right to Know and Campus Security Act" will require the reporting of graduation and placement rates for all postsecondary institutions and will also require those institutions to report campus crime statistics and campus security information, so that students can make more informed choices about their own safety while at college.

We must increase the purchasing power of the Pell grant, which we all know has declined during the 1980's. The Republican recommendation to the Budget Committee for 1992 will be for a $2,700 maximum grant, restoring its purchasing power. We must reverse the fundamental imbalance between loans and grants, which have dropped to less than 30 percent of the typical student's aid package.

Along with my colleagues, I am very concerned about the effects of over-dependence on loans and high student indebtedness on that student's ability to finish school, his or her decision to attend graduate or professional school, and career choices.

A fundamental goal in reauthorization will be making college affordable for a broad range of students. In addition to broadening access to postsecondary education for low income students, I am also interested in expanding access to Federal student aid program to working middle-income families.

Fundamentally, this reauthorization must insure program accountability and integrity. I think that the last two budget reconciliation bills made substantial progress in dealing with defaults in the Stafford Student Loan Program. But we must additionally ask ourselves, "How well are all of our Federal student aid programs working?" "How can we restructure these programs to provide incentives to broadened access to higher education at the front end,

but also to improve retention, graduate rates, and insure a quality education at postsecondary institutions.?"

I look forward to hearing you testimony this morning on these and other issues. Again, I welcome you to Washington and to his first House hearing on reauthorization of the Higher Education Act. You represent what this legislation is most fundamentally about: Investing in our Nation's future. You are that future.

Senator DODD. Senator Pell also has an opening statement and a statement of welcome.

[The prepared statement of Senator Pell follows:]

PREPARED STATEMENT OF SENATOR PELL

I am most pleased to pay a special welcome to Tammy Jackson from my home State of Rhode Island. Ms. Jackson is a true financial aid success story. As the single mother of two young children, Tammy has had to work extra hard to make the dream of a postsecondary education a reality.

Tammy's commitment to hard work, paired with financial assistance from the Federal Government, will make it possible for her to receive an associate's degree in Computer Programming Technology from the New England Institute of Technology this spring.

In order to attend the New England Institute of Technology, Ms. Jackson was assisted by a variety of sources of Federal assistance, including Pell grants, loans, and work-study. Working through Rhode Island Work Opportunity, New England Tech's work-study program placed Tammy with the Rhode Island Justice Assistance Program. Because of the high quality of her work, she has been offered a permanent position even before her graduation.

Tammy's story is the story of determination and hard work. It is also the story of how the Federal Government, in partnership with quality post-secondary institutions, can improve the outlook of our Nation's most deserving young people. In particular, she is an example of how the Higher Education Act serves as the engine for educational opportunity and access in our Nation.

We will leave the record open for any additional statements that other members of either the House or Senate committees would care to make.

I am deeply impressed by the quantity of people here in the room. We are packing them in as we're sitting here. The room is beginning to fill up more and more.

You should note, for those of you who may be visiting Washington for the first time, this is a relatively new hearing room. The Hart Building being built only a few years ago, but you have probably seen this room on television if you watched at all; the confirmation hearings for Secretary Baker were conducted here and the lengthy confirmation hearings of Justice Souter. Where you are sitting here right now is exactly where Justice Souter sat at this table. So you are in familiar surroundings if you have watched any of those proceedings.

Senator Pell wanted me to extend a particularly warm welcome to you, Tammy Jackson from Rhode Island, and I certainly would want to do the same for Tim O'Brien from Connecticut who is

down here, and I know there is a student from Eastern Michigan as well.

Mr. FORD. Thank you, Chris. We have Vaughn Thompson, who is very proudly sitting there representing Eastern Michigan University, whic is located in my congressional district.

Senator DODD. That's right.

Mr. FORD. Eastern Michigan made the "Sweet 16" over the weekend, and it's the only Michigan team, thanks to our friends from Utah, [laughter] still in contention.

Vaughn, you have no idea what you have done for the staff up here because we have some people sitting over here against the wall that are happy that Utah beat Michigan State by one point in a second overtime.

Senator DODD. I watched the game, Mr. Chairman. You will also note that the University of Connecticut is in the "Sweet 16." [Laughter.]

I was going to get to that eventually. Looking at the timber that both these teams face, I am not sure we will actually have to play each other in the final four, looking at Arkansas and UNLV and a variety of other schools, North Carolina, which is your next opponent, I think. We get to play Duke, and that ought to be a cakewalk for us. So we are kind of looking forward to it.

Anyway, let me introduce you. I am going to ask all of you to submit your statements. They will all be part of the record. Any supporting documentation you would like to add as well will be included.

I am going to ask you to limit your remarks to about 5 minutes apiece, and these lights will give you an indication of how that time is working so we can move along as quickly as possible and get to the questions.

Senator DODD. Tajel Shah—I hope I have pronounced that correctly—is the vice president of the U.S. Student Association and a student at Rutgers University. They lost, of course. [Laughter.]

Nice to have you here. We are going to let you go first.

And Vaughn Thompson is a student at Eastern Michigan, as we already know. Tammy Jackson is, as we have introduced, a student at the New England Institute of Technology in Providence, RI. Tim O'Brien is a student at Central Connecticut State University in New Britain, CT, and a delegate to the Connecticut Student Association. Glen Becerra is a student at Moorpark College in Moorpark, CA, and the president of the California Student Association of Community Colleges.

We welcome all of you here this morning. We will begin your testimony in the order in which I have introduced you.

STATEMENTS OF TAJEL SHAH, STUDENT, RUTGERS UNIVERSITY, AND VICE PRESIDENT, U.S. STUDENT ASSOCIATION, WASHINGTON, DC; VAUGHN THOMPSON, STUDENT, EASTERN MICHIGAN UNIVERSITY, AND STUDENT GOVERNMENT LEGISLATIVE DIRECTOR, YPSILANTI, MI; TAMMY JACKSON, STUDENT, NEW ENGLAND INSTITUTE OF TECHNOLOGY, PROVIDENCE, RI; TIM O'BRIEN, STUDENT, CENTRAL CONNECTICUT STATE UNIVERSITY, AND DELEGATE TO THE CONNECTICUT STUDENT ASSOCIATION, NEW BRITAIN, CT; AND GLEN BECERRA, STUDENT, MOORPARK COLLEGE, AND PRESIDENT, CALIFORNIA STUDENT ASSOCIATION OF COMMUNITY COLLEGES, MOORPARK, CA

Ms. SHAN. Thank you. Of course we lost on television, so everybody knows now.

I would like to thank you, Senator Dodd, Representative Ford, and the members of this committee for hosting this unprecedented all-student reauthorization hearing. My name is Tajel Shah, and I am a student at Rutgers University in New Jersey and vice president of the U.S. Student Association (USSA).

USSA, the Nation's oldest and largest national student organization, would like to dedicate our hearing to Representative Silvio Conte, a friend of USSA and a true friend to education.

This hearing is the kickoff of our ACCESS Campaign 1991, during which students will initiate and participate in regional hearings across the Nation. We will have regional hearings in Arizona, California, Michigan, New Jersey, New York and Wisconsin. These hearings are our way of being proactive in stating what our suggestions are before the markup happens. USSA will work with you to assure that education is right and will protect access to higher education at all times.

During the reauthorization process we will be organizing students on lobbying on the following priorities, and I will briefly go over a quick overview of our 10 priorities.

The first priority is restoring the loan and grant balance. The purpose of the Higher Education Act of 1965, I quote, "is to assist in making available the benefit of postsecondary education to eligible students by providing basic educational opportunity grants to all eligible students." And in that spirit we ask that Pell grants be an entitlement and that we have loans whose interest rates are subsidized by the government so that they are used to assist middle-income in affording college, not being the only way to financing college.

Without the subsidization, students are left with only a few decisions: Either dropping out of school or going to school and financing it through loans. And then their after graduation their decisions are going into a job that pays well and not what their desires may be, but are dictated by economics and not their goals and purposes.

But what did the Department of Education recommend? They recommended a 104 percent increase in an unstudied loan program, the income-contingent loan whose interest begins to accrue as soon as we enter school. This is not acceptable for us. What we need are grants to be an entitlement and loans to be subsidized.

Our second priority is providing special services to underrepresented groups. The demographics of our campuses are changing dramatically. We need to serve the needs of nontraditional students age 25 years or older who are becoming the new majority on campuses.

Also, the proven TRIO program for students from disadvantaged backgrounds have received your support in the past, and the entire education community has found them very successful. But recent proposals eliminate TRIO staff training and consolidate some TRIO programs so that it would not be effective anymore. So we would ask that they do not be consolidated and be fully funded and receive your support as they have in the past.

Our third priority is publicity and information dissemination. Students have been saying for years that a media campaign on Federal financial aid is necessary, in light of what the students have been saying for years, in light of the massive media campaign on financing education through the military. So we look forward to working with Senator Kohl and the committee on his new SCAN bill.

The fourth priority is serving the needs of the middle-income students. The middle-income students have been squeezed out of education in the past 10 years. There has been a declining number of their enrollment in the past 10 years. Middle-income students are finding it tough to go to college and to be eligible for Stafford loans and Pell grants. We need to make education accessible to them again.

The fifth priority is to eliminate student aid fees. It is an oxymoron to have students that are applying for Federal financial aid to have an application fee. If students are so unsure of the entire process, as they are right now, in a steady-state, why would they want to spend the little income that they have to find out that they can't receive financial assistance? These are simply ludicrous, and we should not have them anymore.

Sixth priority: We also need to eliminate the linkage of extraneous requirements to student aid. The only students that have checks and balances are if they have registered to the Selective Service or have to sign an anti-drug waiver are those who apply for financial aid. Not only are these requirements inherently discriminatory toward low- and middle-income students, but they have thoroughly complicated the entire financial aid process.

The seventh priority that we have is the simplification of the process. Right now, one of the biggest barriers to higher education in the Federal financial aid system is the complex and confusing nature of the entire Federal financial aid system. USSA's new slogan is "One student, one form." It's really quite simple. That's all we need.

Our eighth priority is to improve college work/study. Work/study is often the student's last resort before taking out a loan. However, under the current State deficits and hiring freezes that institutions have across the country, they cannot afford to contribute any more to the program. We must fully fund work/study and go back to its original intention of placing students in jobs that are related to their academic career goals.

The ninth priority that we have is to eliminate all delayed disbursements. Plain and simple, you delay the disbursement of a student loans and you force students to delay or drop out of college. We need less-punitive measures to deal with the default problem, such as better counseling, a shift to grants, better repayment schedules. We must remember the default rate average has always been 10 percent for the past 10 years. What has skyrocketed is the number of loans that have been going out, loans which should have been Pell grants. And so we ask that we do not have delayed disbursements anymore and that we do not follow with this proposal.

In conclusion, we know that an investment in education is an investment in America's future. A recent study found that every dollar put into student aid gives a return of $4.30 in taxes to the Federal Government. Next month we will be sending you detailed proposals and legislative language, and we look forward to working with you on making the student aid system effective for all of us and accessible for all of us.

Thank you very much.

[The prepared statement of Ms. Shah (with attachments) follows:]

Prepared Statement of Ms. Shah

I would like to thank you Senator Dodd, Representative Ford and members of the committee for hosting this all-student hearing on Reauthorization of the Higher Education Act. My name is Tajel Shah, and I am a student at Rutgers University in New Jersey and Vice President of the U.S. Student Association (USSA). USSA is the largest and oldest national student organization, representing more than 3.5 million students. This hearing is the kickoff of our ACCESS Campaign 1991, during which students will initiate and participate in regional hearings all over the country. This is our way of being proactive and letting you know of our feelings and suggestions on the student aid system before a bill is marked up. Until there is no tuition, USSA will work with you to make sure our student aid programs protect access to higher education. During the Reauthorization process, we will be organizing students to lobby on the following priorities:

1: Restoring the Loan-Grant Balance

As today's testimony will demonstrate, the emphasis on loans rather than grants has so many ramifications. It means that increasingly numbers of students are discouraged from starting college, while some decide to drop out, and others take out loans and face post-graduation choices dictated by economics. It means that as Federal funding for grants has dropped by 37 percent in real terms that institutions have scrambled to fund increasing amounts of grant aid, thereby forcing their tuitions upward. We are recommending that Pell grants be made an entitlement, the maximum award be increased, and the State Student Incentive Grant and Perkins Loan programs strengthened. The Congressional study on the Income Contingent Loan has not yet been completed; and our initial sense is that such a loan discourages students from taking low-paying jobs.

2: Providing Special Services to Underrepresented Groups

The demographics of our campuses are changing dramatically. Nontraditional students who are age 25 or older are becoming the new majority on campus. In 1987, 41 percent of all undergraduates were nontraditionally aged students. Many of these nontraditional students are women and most are parttime students; our challenge is to serve their needs; that includes extending eligibility for Stafford loans and Pell grants, and funding title I programs for nontraditional students. Likewise, the "Special Child Care Services for Disadvantaged College Students" and "Veterans Education Outreach Program" (Title IV, Part A, Subparts 8 and 7) should be strengthened so that parental and veteran status do not remain barriers to access. And the proven TRIO programs for Students from Disadvantaged Backgrounds have received your support in the past and deserve it in the future.

3: Publicity and Information Dissemination

A July 1990 report by the General Accounting Office confirmed what we have been saying for years: That most students and parents are not aware of Federal financial aid. And this lack of information dissemination is exacerbating the income and educational inequities in our society because the wealthier and more educated you are the more likely to working you are to know about these programs. We look forward to working with you and Senator Kohl on being all we can be without necessarily joining the army!

4: Serving the Needs of Middle-Income Students

Middle-income students have been squeezed out of the Stafford loan and Pell grant programs, and are enrolling in college in declining numbers. The inclusion of home and farm equity in needs analysis has eliminated many truly needy middle-income students from the aid system. These students have been forced to take out much more onerous loans such as the Supplemental Loans for Students and PLUS Loans for Parents. Their eligibility for the Stafford loan and Pell grant programs should be restored.

5: Eliminate Student Aid Fees

Students apply for financial aid because they have no money, but the Federal Government then asks us to pay application fees, origination fees, and insurance premiums. This makes no sense! If you fill out different forms for institutional, State and Federal aid, you have different fees. These fees should be eliminated.

6: Eliminate the Linkage of Extraneous Requirements to Student Aid

Financial aid is currently contingent on students' verifying that they have registered for Selective Service, signing of an anti-drug waiver, and special academic standards. These extraneous requirements complicate and slow down this already complex system, and are inherently discriminatory toward low- and middle-income students. They should be eliminated.

7: Simplify the Application Process

Right now one of the biggest barriers to higher education access if the complex and confusing nature of the application and updating process for student aid. And you have to fill out multiple forms for different types of aid. There should be one student, one form! Another way to streamline the process is to allow low-income students who qualify for other Federal benefits such as welfare to automatically qualify for financial aid. There should be more flexibility in the definition of an "independent student," and more consistency—through proper training of financial aid administrators—in the administration of aid.

8: Improve College Work-Study

We are disturbed by the cuts in this program, which is a student's last resort before taking out a loan. Student do want to work to help cover the costs of their attendance; cuts in the award amounts and number of recipients will not facilitate the use of Work-Study instead of loans in financing a college education. USSA also believes that Congress should examine whether schools are placing students in Work-Study jobs that are related to their academic or career goals.

9: Eliminate All Delayed Disbursements of Student Loans

Plain and simple, you delay the disbursement of student loans and you force students to delay or drop out of college. Loan payments are already late; mandatory delays will only increase students' difficulties in paying their tuition and other expenses on time. USSA believes that decrease in student loan defaults can be achieved through less punitive measures: Better counselling, a shift to grants, better repayment schedules, etc. We should also keep in mind that the percentage of students defaulting their loans has remained about constant at 10 percent; what has skyrocketed is the number of students forced to take out loans to pay for college. A movement back to grants would definitely decrease the costs associated with loan defaulting.

10: ELIMINATE THE PENALTIES IMPOSED ON WORKING STUDENTS AND OTHERS

The two needs analysis systems can really hurt students by using their base-year (or last year's) income to calculate their projected income next year. However, in terms of a student's everchanging life, this system can really throw off a student's calculation of financial need. Likewise, students who receive financial aid should not have their other benefits—such as Aid to Families with Dependent Children—decreased.

This was just a quick rundown of USSA's goals for Reauthorization, and we are excited that you share so many of them with us. Next month we will send you detailed proposals in legislative language, and look forward to working with you in making the student aid system all that it can be. Thank you very much.

[The organizing manual entitled, "Access, Don't Mourn, Organize," by the United States Student Association submitted by Ms. Shah is retained in the files of the committee.]

OHIO STUDENT ASSOCIATION

PREPARED STATEMENT OF MICHAEL FRANCZAK, MIAMI UNIVERSITY, OXFORD, OH, SUBMITTED BY MS. SHAH

"MY EXPERIENCE WITH FINANCIAL AID IN COLLEGE"

Something needs to be done to improve the average citizen's access to a higher education. My hope is that you and your peers will look seriously at your opportunity to reauthorize the Higher Education Act. Changes in this act will set the stage for an enhanced work force and a more able pool of leaders for our Nation in the future.

To give you an understanding of how important this act is, I would like to relate my experience as a typical college student with financial aid.

I am both the youngest child and the first one in my family to attend a 4-year institution of higher learning. My parents have been pushing me ever since the third grade because I am good in mathematics. My mother used to think that I would make a good accountant.

Presently, I am enrolled at Miami University in Oxford, OH. While I did not go on to major in accounting, I do have a double major in political science and history.

Miami University is a State-assisted school. But even with public funding, my family has difficulty paying for school costs on only a modest middle-class income. It is the kind of situation where my family has too many fixed assets, like a house, a car, and a pension, making me ineligible for significant aid even though there are not enough liquid assets to pay for my education outright.

Fortunately, in my first year of college, this was not the case. I was able to receive $4,300 in Perkins and Stafford loans, and College Work-Study moneys. In the second year, however, because of cuts in government funding, my eligibility for loans for my sophomore year was derailed. A scholarship of $1,400 only covered part of my costs for school but sufficed all of my $1,100 eligibility for aid. This drastic cut in my need-based aid from $4,300 to $1,100 occurred without any changes in my family's income level.

Because of this, I needed to somehow raise the necessary money beyond what my scholarship covered. I knew there was no way I could raise that kind of money on top of the amount I needed to make in the summer to pay for books, fees, and basic living expenses. I thought for sure I would have to leave school.

Fortunately, I was a member of the Miami University Honors Program. Its director arranged through his connections in the university an interest free loan of $2,000 each year for the rest of my college undergraduate career. If it was not for his connection to obtain that money, I would not be attending school today.

Without the opportunities that Miami University has provided me, I would never have become an Ohio Governor's Honors Intern under former Governor Richard F. Celeste, nor would I have become the chair of the Miami Student Senate and the executive vice president of the student body, and I certainly would not have had the chance of eventually attending a prominent law school to study civil rights law. I was lucky that someone could pull some strings and keep me in school. Unfortunately, I know of too many potential graduates who do not have these contacts to obtain second chances.

Upon graduation, I will be starting out more than $8,300 in debt. This is not counting any debt that will accrue for my graduate educational expenses. Granted some of that debt is interest free but still this is a heavy burden for someone who

next year will only be 22 years of age and just out of college. One of the reasons for this high amount is I never received any grant moneys of any kind, aside from my scholarships, which were merit-based and not need-based.

I cannot begin to express the frustration I have experienced having to ask my parents for my inheritance early so I can pay off my debts and attend law school. Something needs to be done to change this situation which is becoming more and more common. Grants should be the main source of aid rather than loans.

Education is one of the most important elements in the marketability of a future employee. More people must have access to financial aid so that the cost of higher education is not so prohibitive.

I realize that it is too late to help me, but the reauthorization process offers Congress the chance to help future students who are just beginning to think about going to college. Please strongly consider making more moneys available, especially more grants, and providing regular middle-class families like mine with a reasonable chance of accessing Federal aid.

If the United States and its future generations are to succeed and carry this Nation into the 21st Century, higher education must be accessible to all hard working American families.

Senator DODD. Thank you very much.

I now want to recognize the arrival of my colleague from Illinois, Senator Simon, who has joined us. Again, to those of you who have been involved in higher education issues for some time, Paul Simon hardly needs an introduction to an audience involved in those issues. He has been one of the foremost advocates of improved higher educational opportunities in this country for as long as we have served together in the Congress, going on 18 years. It is a pleasure to welcome him here this morning to this hearing.

Paul, do you have any opening comments you would like to make?

Senator SIMON. I have none, other than what we are talking about is extremely important. It's important to you, but it is extremely important to the future of this Nation. And I would like to also welcome our House colleagues. I hope Bill Ford doesn't feel ill at ease coming over here.

Senator DODD. I have never seen Bill Ford ill at ease anywhere. [Laughter.]

Go ahead, Vaughn.

Mr. THOMPSON. All right. I guess before I get started, I would like to turn in some written testimony from students.

Senator DODD. Fine. It will be included as part of the record.

Mr. THOMPSON. All right. Great.

Again, thank you for this opportunity to speak to you on behalf of the U.S. Student Association and the Michigan Collegiate Coalition, representing 250,000 students across the State of Michigan. My name is Vaughn Thompson, and I am a fifth-year senior at Eastern Michigan University and part of that mighty 15th Congressional District.

Despite being told many times during high school that I would never go to college, I wanted to pursue a higher education. However, I was not very sure how I was going to be able to afford it. All I knew about aid at the time was that you either received a merit-based scholarship or that you joined the military. The Federal Government really needs to and should take a more proactive stand about publicizing the importance of education and the funding options that are available. Myself, I did not find out all my financial aid options until I started applying at universities. And it needs to happen quicker, much quicker than that.

For myself, fortunately I was accepted as a student in EMU through a special outreach program called PASS. Through this program, at-risk students are afforded the opportunity to pursue a postsecondary education. Based on my grade point averages and ACT scores, I would not have been normally accepted to attend Eastern Michigan University. PASS provided me with the counseling assistance and an open door, and now after much difficult transition I am on the dean's list.

While I have been successful, it hasn't been without a lot of costs. As a low-income student, my expected parental contribution was zero. Yet my financial aid package consisted of a $2,000 guaranteed student loan. I find it hard to believe that I could be an example of the neediest student, yet I was still required to borrow a loan. After the completion of my first semester, my mother lost her job due to her company's relocation. By the 1989–90 academic year, our two incomes totaled less than $7,000. That's combined. Even at this income level and the maximum Pell grant, the maximum supplemental opportunity grant, and college work/study, I still had to take out a loan.

Part of the problem was the fact that the Pell grant and SEOG only covered 56 percent of my total college costs, compared to back in 1978 and 1979, when the maximum Pell grant alone would cover 50 percent. For myself it meant borrowing a $1,317 Perkins loan. My question is: How poor does one have to be before not taking on burdensome loan debt?

The debt burden that I have taken on so far will result in loans totaling close to $9,000, with payments of $213 a month for the next 10 years. Therefore, I concur with Representative Ford's suggestion to abolish the Perkins loan program and increasing supplemental grants.

Like all students, I realize that I must pay for my fair share. I would rather work than take out a loan. However, because of cuts in work/study, I would never have received a large work/study award. In fact, my work/study job would always run out of funding before the end of the semester. Talk about difficulty having to plan your budget around that.

So at the end of the semester I would scrounge around for odd jobs, eat food donated to me by friends, and at one point even donated plasma, which wasn't exactly pleasurable, for money to make it through the semester. Unfortunately, at many schools, needy students are limited to the jobs available on campus. Either they don't have vehicles, like myself, or the jobs just aren't there. Yet in the 1980's the real value of average work/study awards and the number of students receiving actual awards fell. We need a renewed commitment to this important program.

Finally, I strongly support a return to the original premise of the Higher Education Act of 1965. Low-income students should receive grants for college while middle-income students should be eligible for manageable loan programs. Pell grants should be an entitlement so that there are no uncertainties from year to year regarding award levels and recipients. The maximum Pell grant should be raised but not—I repeat not—at the expense of the eligibility of hundreds of thousands of other students. We need to increase the

level of awareness of student aid opportunities and the real possibilities of college.

I am one of the lucky ones, for I have so many friends that have had to drop out over the years because of financial hardships, and this cannot be the case. For myself, there are no guarantees of a better future, but now I have choices and skills and an education that can never be taken away from me.

I would just like to thank you for this opportunity to speak with you today.

[The prepared statement of Mr. Thompson follows:]

PREPARED STATEMENT OF MR. THOMPSON

Mr. Chairman and members of the Committee, thank you for the opportunity to speak with you today on behalf of the United States Student Association and the Michigan Collegiate Coalition. My name is Vaughn Thompson and I am a fifth-year senior at Eastern Michigan University.

Despite being told many times during high school that I would never go to college, I wanted to pursue higher education. However, I was not sure how I was going to be able to afford it. At that time I was a dependent on my mother, who was making a little over $20,000 as a single parent, and I had no significant income of my own. All I knew about aid at that time was that you either received a merit-based scholarship or you joined the military. The Federal Government should be much more proactive about publicizing the importance of education and the funding options that are available. I did not find out about the different types of financial aid till I was applying for admission.

Fortunately, I was accepted as a student at EMU through a special outreach program called PASS. Through this program "at-risk" students are afforded the opportunity to pursue a postsecondary education. Based on my grade point average in high school and ACT scores I would not have normally been accepted to attend EMU. PASS provided me with the counseling assistance and an open door. As a low-income student, my expected parental contribution was 0. Yet my financial aid package consisted of a $2,000 Guaranteed Student Loan and a $1,690 Pell grant. While I appreciated the relatively large Pell grant, I find it hard to believe that I could be an example of the neediest student, yet was still required to borrow a loan.

Nonetheless, having been given what I considered to be a once in a lifetime opportunity, I jumped at the chance to attend college with my GSL. Blindly I went forward with registration and classes not forseeing how my financial decisions would affect me later.

My first year was a difficult transition, and I had a grade point average of 1.88 after the first two semesters. Under President Bush's proposed plan to deny Federal grants and loans to students in the bottom 10 percent of their class, I could have been ineligible to receive any more aid, and my college career would have been over nearly as soon as it began. A representative of the Department of Education was quoted as saying that "A student who did poorly could enroll for a year without Federal aid and then hope to qualify again." He simply does not understand that a needy student cannot afford a semester without financial assistance. Fortunately, I continued to receive financial aid; and as I progressed so did my class standing. I have made the dean's list, received merit awards and raised my grade point average to a 3.2. Had Federal financial aid been taken away after my first year in college I would never have had the opportunity to prove myself and earn a college degree.

While I have been successful it hasn't been without a lot of costs. After the completion of my first semester, my mother lost her job due to her company's relocation. By the 1989–90 academic year, our two incomes totaled less than $7,000. Even at this income level and with the maximum Pell grant, maximum Supplemental Educational Opportunity Grant (SEOG), and College Work-Study, I still had to take out a loan. Part of the problem was the fact that the Pell grant and SEOG only covered 56 percent of my total college costs. Luckily I was eligible for the most manageable loan for low-income students: A $1,317 Perkins loan. But I would like to ask how poor do you have to be before you aren't required to take on loan? The debt burden I have taken on so far will result in loans totaling close to $9,000 with payments of $213 a month for ten years.

Like all students, I realize that I must pay my fair share. I would rather work than take out a loan. However, because of cuts in College Work-Study I have never

receive a large Work-Study award. In fact, my Work-Study job would always run out of funding before the end of the semester. Talk about having difficulty planning your budget! So at the end of the semester, I would scrounge around for odd jobs, eat food given to me by friends, and even donate plasma for money to get me through the semester. Unfortunately, at many schools, needy students are limited to the Work-Study jobs available on campus—either they do not have cars or the off-campus jobs are just not there. Yet in the 1980's, the real value of average Work-Study awards and the number of students receiving awards actually fell. We need a renewed commitment to this important program.

Also, the official definition of an "independent student" is very arbitrary and excludes many financially self-sufficient students. If you do not meet one of the automatic criteria—age 24 or older; orphan, ward of the court, or veteran status; or responsibility for legal dependants other than a spouse—you must meet arbitrarily set income and tax standards. When I was a freshman, I could not be classified as "independent student" because I had been claimed by my mother as a tax exemption the two previous years, and because I made less than $4,000 in the previous year. Yet in all other senses, I was a financially independent students. In many areas, a person can survive on less than $4,000 a year, and should not be cut off from the additional student aid accompanying "independent student" status. Also, you should never assume that parents will voluntarily donate to their children's education.

Finally, I strongly support a return to the original premise of the Higher Education Act of 1965, Low-income students should receive grants for college, while middle-income students should be eligible for manageable loan programs. Pell grants should be an entitlement so that there are no uncertainties from year to year regarding award levels and recipients. The maximum Pell grant should be raised, but not at the expense of the eligibility of hundreds of thousands of other students. We need to increase the level of awareness of student aid opportunities and the real possibilities of college. And we should question how high student loan indebtedness is hurting our country; too many students forego graduate and doctoral study, low-paying community service and public sector, and opportunities that would benefit society as a whole simply because of a high debt burden. There is no way that I, myself, could pursue graduate study right now even though I would like to. I want to pay off my undergraduate loans before I incur new ones.

I am one of the lucky ones. College and the financial aid that it made a reality have changed my life and opened so many doors. There is no guarantees of a better future, but now I have choices and skills. Thank you so much for this opportunity to speak to you.

Senator DODD. Thank you very much, Vaughn.

Tammy.

Ms. JACKSON. Mr. Chairman and members of the committee, good morning. My name is Tammy Jackson. I live in Providence, Rhode Island with my two children. I attend New England Institute of Technology. I am honored to be invited to speak with you today about my education at New England Tech. I would also like to thank the USSA for inviting me to testify today.

This morning I would like to tell you about what I have learned at New England Tech, the changes it has brought to my life, and how Federal financial aid has made it all possible. There is no way I could have gotten the education that I did without the student aid. Two years ago I was unemployed. This spring I will graduate from New England Tech with an associate degree in computer programming and a good job.

I attend the Warwick campus of New England Tech. I had never used computers before going to New England Tech. I knew absolutely nothing about them. I learned programming and BASIC, RPG, and COBOL languages, and I studied database management.

But my education wasn't only in computers. In addition to my technical courses, I took courses in subjects like physics and math and psychology, which I really enjoyed, and I would like to continue my education with New England Tech. Unfortunately, if funding is unavailable, my chances for further education may be non-

existent. New England Tech is a private career school that has been educating people in Rhode Island for almost 50 years. They helped me choose an area of study and choose the courses that I wanted to take. Again, none of this would have been possible without the financial aid. I applied for and received the maximum amount of the Pell grants for both years.

I also received student loans and participated in the work/study. For my work/study job, which was with Rhode Island Work Opportunity, which is urn by Rhode Island Higher Education, they place students in nonprofit organizations. I am employed as a case manager in Project Restitution at Justice Assistance, a nonprofit criminal justice agency. I have already been offered a permanent position with Justice Assistance before I graduate.

I can hardly believe how far I have come in the past 2 years. I had no job, with two children. Now I have a good job, specific skills, and my kids and I have a brighter future. I am excited about continuing with Justice Assistance.

There are so many other people like I was 2 years ago up there. They want to work, but they need an education. They are smart enough to learn about computers, construction, electronics or other fields, but they cannot afford the tuition. They don't even know about the financial aid they are qualified to receive. I got my chance when I learned about New England Tech and they helped me understand how to apply for the financial aid.

I understand that you are now deciding to change the financial aid programs. Please keep giving people chances like I got. Please make sure that students in the future will be able to get the help they need to attend the private schools like New England Institute.

Thank you.

[The prepared statement of Ms. Jackson follows:]

PREPARED STATEMENT OF MS. JACKSON

Mr. Chairman and members of the committee, good morning. My name is Tammy Jackson. I live in Providence, RI with my two children and I attend the New England Institute of Technology I am honored to be invited to speak to you today about my education at NEIT.

This morning I want to tell you about what I have learned at NEIT, the changes that has brought to my life, and how Federal financial aid made it all possible. There is no way I could have gotten the education I did without student aid.

Two years ago, I was unemployed and living off of my assistance checks. This spring I will graduate from NEIT with an associate degree in computer programming technology and a good job.

I attend the Warwick campus of NEIT. This is a great school. I had never used computers before going to NEIT and knew absolutely nothing about them. At NEIT, I learned programming in BASIC, RPG and COBOL languages, and I studied database management. I also learned about many different software packages like word processors, spreadsheets and databases. The courses emphasized how computers affect accounting, finance and manufacturing decisions in business.

But my education wasn't only computers. In addition to my technical core courses, I took courses in subjects like English, psychology, math, and physics. I really enjoyed these classes, and I know they will help me in years to come. I would like to continue my education and pursue a degree in business management at New England Tech. Unfortunately, if funding is unavailable, my chances for further education may be nonexistent.

NEIT is a private career school that has been educating people in Rhode Island for almost 50 years. Besides my computer programming degree, it also offers associate degree programs in architectural drafting, automotive technology, electronics technology, plumbing and heating technology, refrigeration, air conditioning and

heating technology and many other areas of study. Bachelors of Science programs include computer programming technology, electronics engineering technology, and machine and tool design technology, and technology business management.

The NEIT staff and teachers have been great. They helped me choose an area of study and choose the courses I should take. My financial aid officer, Jamie Droste, should be specially commended for her understanding and helpfulness. Without her guidance, I would never have been able to apply for and get the financial aid I needed to attend the school.

None of this would have been possible without financial aid. I applied for and received the maximum amount of the Pell grants both years at NEIT. I also received student loans and participated in work-study.

For my work-study job, Jamie worked with Rhode Island Work Opportunity, which is run by the Rhode Island Higher Education Assistance Authority. They place students in jobs with non-profit organizations. I am employed as the case manager of Project Restitution at Justice Assistance, a private non-profit criminal justice agency. In this program, we provide mediation services to juvenile offenders and their victims. We collect monetary restitution and place offenders in community service programs in an effort to reduce recidivism. With the evening classes at NEIT, I was able to work at Justice Assistance during the day and attend class at night.

One thing I learned on the job and at NEIT is how important computers are. They are used in almost every office today. As I said earlier, before going to school, I knew nothing about computers. Today I use them every day at work.

I really love my job. I have already been offered a permanent position with Justice Assistance even before I graduate. I can hardly believe how far I have come in the past two years. I had no job and had to rely on public assistance. now I have a job, a specific skill and my kids and I have a brighter future. I am proud of myself, and my kids are proud of me too.

I am very excited about continuing with Justice Assistance, but I also know that that job may not last. We are partially funded by State government contracts, and I worry about the State keeping funding for my job in the budget. But even if funding is cut, I will have a degree from NEIT and very marketable skills. It would be hard to have to look for another job, but I am confident that I will be able to find another good job if necessary.

There are so many other people like I was two years ago out there. They want to work, but they need an education. They don't like having to receive assistance checks. They are smart enough to learn about computers, construction, electronics, or other fields, but they cannot afford the tuition. They don't even know about the financial aid they are qualified to receive.

I got my chance when I learned about NEIT, and they helped me understand how to apply for financial aid. I understand you are now deciding how to change financial aid programs. Please keep giving people changes like I got. Please make sure that students in the future will be able to get the help they need to attend private career schools like NEIT. They will try, they will learn and they will be able to become a part of the workforce of the United States.

Thank you.

Senator DODD. Tim O'Brien. Why don't you pull that microphone as close as you can to you so we can pick up your statement.

Mr. O'BRIEN. I would like to thank Senator Dodd, Representative Ford, and the members of the committee for giving me this opportunity to speak to you. As you said, my name is Tim O'Brien, and I am a student at Central Connecticut State University, where I am vice president of the student government and work with the Connecticut Student Association. I am also a member of the board of directors of the U.S. Student Association.

The complexities and subtlties of the student aid system often leaves students out in the cold. First of all, middle-income students have been squeezed out of the student aid system. We are virtually ineligible for Stafford loans and Pell grants. In fact, the President's proposed budget for fiscal year 1992 would increase the maximum Pell grant and create scholarship programs for Pell grant recipi-

ents by eliminating up to 600,000 students, mostly middle-income students, from the Pell grant program.

We certainly support increasing the maximum award for the neediest students, but not at the expense of hard-pressed middle-income students.

Because middle-income students have been squeezed out of the more manageable Stafford loan program, they have been forced to take on the much more onerous loads such as SLS and PLUS loans. These loans have high and variable interest rates and difficult repayment schedules. Students and parents must begin repayment within 60 days after disbursement or, if they defer payment while the student is in school, the government does not subsidize the interest during the deferral.

Moreover, middle-income students are facing skyrocketing tuitions. As Federal funding for financial grants has declined 37 percent in the last decade, schools and States have had to scramble to find increasing amounts of need-based aid. They pay for it by increasing tuition. So, middle-income students cannot get the Stafford loans which were designed with them in mind, and most grants, and are now facing astronomical tuition on top of that.

It should come as no surprise then that a recent study commissioned by the Consortium on Financing Higher Education concluded that fewer students from middle-income students are enrolling in colleges and universities, and particularly in the most selective private and public schools.

According to the financial aid system, I am considered a middle-income student, if you combine my two parents' incomes. However, my parents are divorced, and I am considered a dependent of my mother, who has had an income of about $15,000 and owns a house. My father, who has a considerably higher income, gives me no money for college. He has backed my PLUS loans but fully expects me to pay him back.

The expectation that both my parents will contribute to my education and the inclusion of my mother's home equity in the calculation of financial need leave me with a very nominal student aid package. I do not receive the Pell grant and as a freshman lived off my savings. I then took out a Stafford loan. Then I joined the National Guard, which in Connecticut led to the waiving of my tuition.

However, my financial aid office simply deducted my tuition costs from my needs analysis. So I really didn't come out ahead from the National Guard.

As a sophomore and junior, I worked part-time, and my father took out a PLUS loan and I took out another Stafford loan. Because of these economic circumstances, I really should be considered an independent student. But my parents continue to claim me on the income taxes, so I cannot receive official independent student status.

I am one of the many students caught with limbo of financial independence. An illustration of how crazy and confusing the student aid system can be is what happened to me this past semester. Last year I made arrangements with a professor to turn in my work for his class late. He promised to give me an incomplete for his class and then, after he had some time, to grade my work late and

change the incomplete to a grade. An absent-minded man, he kept forgetting to do this, despite my frequent requests. So eventually this incomplete was considered a failing grade, and I technically dropped below full-time credit level for that academic year. I was told that because of this I was no longer eligible for financial aid. I could not pay my bills and I lost my housing reservations. I had to sleep in other people's rooms for 2 weeks.

I ended up taking out a third PLUS loan and a Stafford loan for this year. I am still waiting for these loans because the bank is still checking on whether I am enrolled in school, and because I have not received the money for the PLUS loan, I cannot afford to buy all my books for this semester.

It seems unnecessarily harsh to take away from my financial aid eligibility simply because I lacked full-time credit level for that year. I am in good academic standing with my university and am working as much as I can to contribute to my college costs. Students on aid should not have enrollment and academic requirements above and beyond what other students must abide by. It is unfair and discriminatory, not to mention very confusing. Better counseling is necessary to assure that students know that the loan repayment process works and what the expectations are of student aid recipients.

Last, there is no way I can afford to go on to graduate school with the kind of debt that I have. I want to go on, but I think that I will have to go part-time after going to work. It would help if the student loan interest deductibility was restored and if the six graduate fellowships funded by the Federal Government received more funding to help out students like me who would like to pursue graduate school. All at the same time, I know that I speak for many middle-income students who have been squeezed out of student aid.

We hope that you will consider restoring the eligibility of middle-income students for Pell grants and Stafford loans so that we will no longer have to rely on SLS and PLUS loans.

Thank you very much, Senator.

Senator DODD. Thank you very much, Tim.

Glen, if you will take that microphone from Tim and bring it up close to you there so we can pick up the sound.

Mr. BECERRA. Thank you, Chairman Dodd, Chairman Ford, and members of the committee. I want to thank you on behalf of the world's largest educational system, the 1.5 million students of the California Community College system and all the community colleges in the United States of America.

My name is Glen Becerra, and I am the president of the California Student Association of Community Colleges. We believe that the colleges should be open to all persons who can benefit from the instruction offered, and this includes ability to benefit students who for whatever reason do not have their high school diplomas or its equivalent.

My personal story is a good example of how Federal educational policy should ensure that the doors to higher education should remain open. I come from a family of farmworkers. Both my grandfather and my father worked in the fields. I am the first person in my family's history to receive a college degree. Despite being the

first generation college student, I have always wanted to go to college. I graduated from high school with hopes, but was turned down by the CSU system in California.

Thus, the open-door policy of the California community colleges was my only way to achieve a college education. Once in the system, however, I still face substantial financial barriers to stay in college. Because I was the only male in my family, I have the obligation of supporting my mother through many hard times. My grades suffered considerably after my first 2 years in college. I had a grade point average of .98. And, yes, that was a hard accomplishment for me to achieve that low grade point average.

After a lot of support from my family in college, I was able to raise my GPA to a level to where I am now a National Honor student. My story demonstrates that the President's proposal to eliminate students in the bottom 10 percent of their college class from Federal financial aid would destroy the postsecondary opportunities of many students. Eliminating the last financial resource for students who are not doing well academically will not improve their performance. Instead it will force many to drop out of college.

What these students need instead is more support services so that our investment into their education will be fully realized. Unfortunately, there are a number of obstacles to higher education, including the shift from grants to loans and the real decline in student aid. Ability-to-benefit students have faced serious obstacles in particular. Last year's Omnibus Reconciliation Act was interpreted by the Department of Education to require all ability-to-benefit students to take and pass a test in order to be admitted to college. All colleges were told that if they admitted a student who did not pass the test, that their participation in Federal student financial aid would be terminated. And that is based on even if one student regardless if he or she wants financial aid was admitted.

In effect, community colleges were asked to put a major new regulation into effect in a matter of days and to essentially violate their mission of an open-door policy.

We want to thank the House Committee on Education and Labor for passing H.R. 1285 last week, which changes provisions so that only students that wanted Federal financial aid would need to take this ability-to-benefit test. Without the passage of this bill, nearly 100,000 students in California without a high school diploma or its equivalent would potentially be barred from admission to the community college system.

These people are returning students. They are people who had dropped out of high school to support their families; and they are immigrants and refugees who are trying to become working citizens in our system here.

Your action will help maintain our colleges' historical open-door policy. However, we still feel the ability-to-benefit students will have difficulties in accessing higher education if a test stands between them and the Federal financial aid. Students feel that it is wrong to use tests that have been proven to be culturally biased, to determine a person's college future. The chancellor of our system, our college administrators, and our State legislature, the State Governments even passed a law stating that based on a single test

score, no student will be barred from entrance into college. The test should only be used for diagnostic and placement tests.

We strongly support bills such as Representative Miller's H.R. 907, that will help to assure that our colleges use the same method to assessing incoming students. H.R. 907 allows the State to take the responsibility for developing assessment, counseling, and guidance systems, what the California community college system calls matriculation. That would help to assure that the 107 colleges do their best to help students succeed. It is not a way of eliminating students from participating, but of placing them in the proper courses so that they can succeed.

Of course, the ability-to-benefit students are not the only concern. We ask that during the reauthorization of the Higher Education Act you assure that all students can also receive the high levels of financial aid that they need.

We especially support Chairman Ford's idea for emphasizing grants first the first 2 years and limiting the use of loans.

One last thought, if I may, and that is on behalf of the disabled students of our country. I didn't have a chance to prepare a statement for this, so if I may add this into the record, I feel it's very important that we remember that disabled students are a large number of returning students for our systems. They encompass and they enhance all aspects of the higher education and they offer a broader and a more diverse and more workable system. They encourage and they include all aspects of our society. And I ask that, though I don't have any special request for them, I ask that they not be forgotten in the Reauthorization Act and that we work very hard to make sure that access for those students, including all students, is given a high priority and there is no limit to access.

Thank you.

Senator DODD. Thank you very much, Glen. And I can tell you that the Senate intends to take up the legislation on the ability-to-benefit issue very, very shortly. As you point out, the House is moving on that, and as soon as it comes over from the House we will be acting on it as well in the Senate.

Chairman Ford can go into greater detail on this, but it was never the intent of Congress to create the kind of problems that have ensued from that, and we are going to make sure that those corrections are made so that we don't go through another academic year with those provisions. So, those changes will be made very, very quickly.

We have been joined by two of our colleagues, our old friend from days past in the House, Congresswoman Mink from Hawaii, and my new colleague in the Senate, Paul Wellstone from Minnesota.

Would either one of you like to make any kind of opening comment or remark?

Ms. MINK. No, Mr. Chairman.

Senator WELLSTONE. No, thank you, Mr. Chairman.

Senator DODD. If not, I am curious to know how much guidance are the students getting at the high school level in terms of what the financial obligations and responsibilities will be, obviously in terms of academic requirements as well? I realize when you're talking to student advisors and so forth and selecting colleges, that you

discuss an awful lot of things, but I am interested to what extent you are actually getting the kind of advice and counseling on those two particular provisions as they relate to one another as you consider the schools that you are thinking about attending.

Maybe we could just start down the line and have each of you give us some feeling for the kind of input you are getting.

Ms. SHAN. To be frankly honest, it really depends and varies according to each high school counselor and it varies on what system you are in and how good that system is. So if you are in a poor urban area, the high school counselors may not have a lot of practice with working with students who are going to college because of their economic status; or, if you are in a very affluent area, they may be very well versed in the scholarships.

One of the people that will later testify, Mr. Brian Hooker, will further go into some testimony on how a high school counselor was able to help him. But it varies and there is no training, there is no support system for any of these high school counselors to make them aware of all the scholarships and all the financial aid available.

Unfortunately, last year the Department of Education cut one of its manuals out which was an entire manual all on financial aid that was available. And we no longer have that. There is no consolidated place where there is all the information on all the Federal financial aid that is available. Students just can't go—we can go into the libraries individually and go with our counselors and go through all the various books about different scholarships that are available and the different Federal financial aid programs. But it's not in one centralized area. So if you're not familiar with the library program, the high school counselor is not used to any particular circumstances, and if you're very good in engineering or something like that and you're the first student that's come through that system in such a special category, then they are really not knowledgeable.

And that is why we really want TRIO and other programs such as that to be completely fully funded because they do have that. They have Upward Bound and other things like that, which do motivate and bring some issues in.

But the key thing is the dissemination, as we talked about before, and that is that we need to know about the toll-free number, we need to know about how to apply and how simple it may be or what the process is and what the steps are. We need a media blitz on it. We just don't have it.

The reauthorization of higher education is our tool to making access, to making education affordable and accessible. And yet many students aren't even aware of it. I mean this is our big campaign, and we are trying to bring it out, but there are still many students that aren't available and it's up to all of us to make them aware of it so they can testify and they can express their concerns.

We need to define what student aid is. And the manuals that were placed in your things are our proposals for the priorities and specific language and how we plan on organizing around them. We hope you use them, and you can come to us if you have any questions.

Senator DODD. Very good.

Anybody else have a comment on this? I would be curious as to your observations about what sort of information was made available to you. I don't mean just in your case specifically, but in terms of your own contacts. Many of you here are student leaders, so I presume you are in contact with other students and you have some flavor and feel for what went on at the high school level in terms of the information available to you.

Mr. THOMPSON. I guess we can go down the line and progressively work our way this way.

The experience that I really had in high school is that, and, I don't know if you're familiar with getting tracked at all, the tracking system that goes on and you end up taking all these kind of tests starting really early. I remember taking some tests in 7th and 9th grade directing you and getting a feel for maybe what kind of occupation you want to go into. It just seems that once you get tracked and you're stuck on it, it is a track and it leads you, the counselors, well, you know, try to lead you into a path which they think is in your best interest. But many times I didn't want to do exactly that; I didn't want to go that route. I wanted to go to a 4-year university.

I think really a case in point is the fact that we are lacking information through the media, consolidated information about financial aid availability and how people can qualify. And it needs to happen. A lot of people are really misinformed about financial aid at the university levels.

Senator DODD. The high school level as well?

Mr. THOMPSON. Yes.

Senator DODD. Yes, Tammy.

Ms. JACKSON. Yes, sir.

Senator DODD. You agree with that.

Tim.

Mr. O'BRIEN. Yes, that's the experience that I had. I was put on a track to go to a 2-year technical college, and if I hadn't received recommendations from my family and stuff that I was academically capable of going on.

Senator DODD. Well, when did they start tracking you?

Mr. O'BRIEN. It was in high school, mostly in junior and senior year.

Senator DODD. Junior and senior year.

Glen.

Mr. BECERRA. Yes. Two things. In high school I was an average student or maybe even below average. My grades were 2.62. And in counseling, it was funny because the counseling I got, "You're a good student and maybe you'll go to college, but don't hold any high hopes."

Then when I got to college and I started to achieve, the same counselor that didn't have time for me then came up to me and said, "Oh, yes, this was one of my best students." And that's the kind of support that we got there.

So there is a problem with that because it's got to come from the counseling and what in California we call matriculation. And along those lines, we keep mentioning high school students, but the reentry student is the largest part of our system. The average age in the community college system, and I would think this is around the

country, and I know in California for sure, is 29 years old. And those aren't coming out of high school. They've been out for 10 years, they've been in the workforce, they have women with children, they have men with children, they are single parents coming back for retraining. And these people, we don't have any access to the financial aid support staff. We don't know how to get into it, you know, is it there for us, do we qualify?

I am a lucky person because I get to work with the State chancellor in California, who is an outstanding person, believes in shared governance. I have access to the State chancellor's financial aid office, and they filled out my forms for me. But I am one person out of 1.5 million, and we have to address the reentry students in all shapes and forms and not just the high school.

But the matriculation system in California is starting to develop, and it deals with all those aspects, you know, counseling, what courses should you take, what courses should you get into, how much aid do you need? And it is starting, but we are covering just a very small base if we deal with just the high school students.

Senator DODD. Very good.

Chairman Ford.

Mr. FORD. Thank you very much.

How many of you, when you were in high school, had the experience of a local or State college or university representative come to your high school to recruit students?

Senator DODD. The record will show 3.

Mr. FORD. Three out of the 5.

When the college or university came, did they put any emphasis on the fact that there would be Federal, State and institutional assistance for you if you needed it to go to college, or did they just ask to talk to the well-heeled students who could pay to go?

You're shaking your head, Glen. What does that mean?

Mr. BECERRA. They make provisions for the better-off students. Like in my statement I made a statement where in college I was very low on my academics my first 2 years until I could get myself out of the financial burden of having to support my family. And once I was freed from that, then I could achieve. Well, they do the same thing in high school when they come to recruit. They will pick out the students because the counselors are pushing those students and they're not pushing the students like myself to achieve.

So you're always going to get a better service for the students that are doing well and that are better-off financially. It's just the natural thing, I guess, and I hope that we can change that because it's not those students who need the financial aid.

Mr. FORD. I see all the heads at the table nodding. That sums up the experience you have had?

Mr. THOMPSON. Yes, very much so.

Mr. FORD. Not intending to frighten you or anyone else in the audience, I should point out that over against that wall are two people who started lobbying me as representatives of the Student Association about 11 years ago, and they liked it so well here—this is kind of a warning to you—they made a career of lobbying in Washington, DC. The gentleman standing against the wall—he is losing a little bit of hair in the front now and his face is longer than it used to be when he was a student lobbyist—is Joel Packer,

who now is lobbying me again 11 years later for the National Education Association.

Then, sitting here at the corner of the table is Larry Zaglaniczny, who came with one of the other Student Associations. I accused Larry of never having a full sole in his shoe for the first 2 years that I saw him lobbying here. They literally were doing it the hard way 11 years ago. And Larry now represents the National Association of Student Financial Aid Administrators and is monitoring our hearings for them.

So you might get bitten by a bug while you are here, but if you stay, you might, like them, end up spending your career still trying to assist students through college by associating yourself with groups that work in that direction.

Mr. Chairman, I would also like to say to Glen and the others that the problem that occurred in the Budget Act last year, with the ability-to-benefit student, was really an oversight, and those things happen wh[illegible]e are trying to budget instead of write education legislation. We caused tremendous problems in California. You mentioned Congressman Miller. He brought it to our attention very early. And it also caused problems in New York, where your former chancellor is now the chancellor of the New York City system. And she came in to see me as soon as the caucus selected me as chairman to tell me I had to do something about it. She, as a matter of fact, was the first one who brought to our attention the fact that undocumented workers in California were being permitted to graduate from high school but not being permitted to go to college with any assistance because they were undocumented.

But we have caused an awful lot of fuss. As a result, both the Democrats and Republicans have come together in the House and we have reported out a bill which will be considered on suspension tomorrow—and I would be very much surprised if there were any "no" votes—that will reverse that action and apply the test only to people who are taking the test for the purpose of getting Federal student assistance and exempt everybody else.

I expect that it probably won't even go to the committee when it comes over here. It will be held at the desk and passed. So that will be effective by July 1.

Senator DODD. I am told by my staff here as well, Bill, that we won't even bother to send it to committee, we will just hold the bill at the desk when it comes over from the House, which means it doesn't get referred to committee and get bogged down, but we will just bring it up directly, the House-passed bill. And so we will have that done in the next few weeks.

Mr. BECERRA. If I may respond to that, I would hope that we would look further on into that bill also. When you limit a student, even if it's a student that wants financial aid, and you have them take that test, the systems that we have developed and the massive amounts and tens of millions of dollars that our system has put into developing the matriculation system for assessment to see where these students need to start so they can achieve, our system is traditionally, and now as law that says you cannot limit access based on a single test score. And it is really important that we look a little further into that.

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Everything that is being done is greatly appreciated, greatly appreciated. I want to emphasize that strongly.

Mr. FORD. The dichotomy here is that while this committee has worked for years to remove barriers to access, that is really what Federal aid is supposed to be all about, this was a budget process last year and the language was not written by these committees thinking about education policy and access.

The real purpose of that provision in the budget last year was to save money. It was an administration proposal, and the way it saves money is by cutting down the number of people who qualify for student aid. That's how you save money in student aid programs.

So the purpose was not to provide access, it was to deny access in order to save money. Now, that underlying policy was not in a forum where it had a chance in the argument, but during reauthorization it will be in a forum with the people at this table and others from both political parties on the two committees who are not likely to think as the budget people did while legislating during the budget crunch of last year.

It's one of those things that happens around here when the human measurement and the sensible policy gets swallowed up by the numbers crunchers from the Office of Management and Budget who just throw around a proposal and say this will save X dollars. And when you're trying to put a number of X's and Y's together to get to a Z figure, it gets thrown into the pot without a whole lot of consideration for the damage it might do.

There is a good lesson for us to give to some of our budget-conscious friends when we're doing reauthorization. The lesson is that everything that looks like it will help, doesn't necessarily turn out to be a good thing.

I thank you, Mr. Chairman.

Senator DODD. Senator Simon.

Senator SIMON. Thank you.

First let me just say to those of you who are here as witnesses as well as to others, we face a fundamental choice, those of us on the two committees: Do we reauthorize and just tinker at the edges, or do we really dream and do something significant for this country?

It is obviously my hope that we will do the latter, that we will make George Bush the "Education President" whether he wants to be the "Education President" or not. [Laughter and applause.]

But before you cheer too much, let me just add, to do that we are going to need a lot of help. And I hate to say it, but every issue isn't decided in the Senate and the House on the basis of its merits. We need people who are really going to get out and do the work.

We shouldn't have—and, Vaughn, I am not picking on you—but we literally have one of those testifying who has had to give blood in order to stay in college. You know, something is wrong with the system when that is the case.

Now, if I may, Ms. Shah and Mr. Thompson, you both mentioned making the Pell grant an entitlement, something I favor. I don't need to tell you what has happened in the way of distortions by our shifting from grants to loans. But to make it an entitlement, we face two choices because of the budget bill that passed last year. It takes 60 percent of the vote of Congress now to shift money. If

we want to take $1 billion from Star Wars and shift it over to student aid, that takes a 60 percent vote, which is almost impossible to get.

That means that under this bill, if we are to have an entitlement, we have to have the taxes to pay for it. Now, we can either say in the bill, "this is an entitlement subject to the passage of certain taxes to pay for it," which means someday it will come, maybe; or we can find a source of revenue.

Have either of you thought about where we might go, how to answer this tough question?

Ms. SHAN. Yes. We understand that the Budget Enforcement Act has put a noose around the Congress' neck essentially. But all we are asking is that education be a priority and that we are the education generation and that we need to make access to all students. We should not be put in a position to say what should be cut and what shouldn't be cut. I think that is something that we have elected you to do and to make this decision.

I am sorry I can't give you an answer to that that I know you want.

Senator SIMON. All right. But I think as the vice president of the Student Association, you and the higher education community are going to have to face this question. We have always been brave in saying let's get more money for student aid, and we should make it a priority. In 1949, 9 percent of the Federal budget went for education. Today it's 3 percent. But I think we have to face the tough side of this question too.

Vaughn Thompson.

Mr. THOMPSON. I looked over the BEA, and I was just kind of set aback by the whole language of the proposal and what it set out to do. It is really going to be tough decisions that have to be made. We didn't get our peace dividend that we have been banking on and talking about for so long. And with the BEA, it's going to be tougher to eventually shift because of that fact.

I mean it's really tough to talk about specifics, but it's really important.

I have just been handed a note: "If we can find $500 billion for S&L's, we can find money for Pell grants." [Applause.]

Mr. THOMPSON. But, again, I mean these are tough choices that have to be made, but I think we all agree in this room that education needs to be a top priority for the future of competing in this new world of nations.

Senator SIMON. Absolutely. And my point is simply it's easy to be here and cheer today. We are grateful for your presence, because I think it lets Members of Congress know that there are students who really are concerned. But we are going to also need your help on some tough battles that we are going to be facing.

Tammy Jackson, you are in a situation and your story is a great one. Two children, and you were on public assistance. Now, if you get this job that you're talking about, you had to put together Pell grants, loans, everything, you may have a tough time repaying that loan. Right?

Ms. JACKSON. Yes.

Senator SIMON. I have a member of my staff, he and his wife are now paying $1,080 a month on their student loans. You know, that becomes awfully tough.

And you could very well—and I am not picking on you, but generically—you could very well become a statistic, your student loan default. And we would view that as negative. And I don't like student loan defaults. But the very fact that you have come off of public assistance, got an education, yes, it ends up as a negative statistic, but I think it's a great success story. And we end up with these student loan defaults, in large measure, because we have the wrong priorities here.

Tim O'Brien, you made two points. One, you say fewer students from middle-income families are enrolling in colleges and universities and particularly the most selective private and public schools. One of the things that is happening with our present system is that we are increasingly segregating American higher education on the basis of economics. And that is not a healthy thing.

The second thing you say is you want to go on to graduate school. What should we do to make it possible for you to go on to graduate school?

Mr. O'BRIEN. I am not a real expert on that. I have to defer to one of the others.

Ms. SHAN. One of the things is increasing the maximum Pell grants for graduate students and having more graduate scholarships out there so that as we are cutting them, the Department of Education's proposals have cut them as well, but all the issues that we are talking about right now, with fully funding Pell grants and other things are key for graduate students and further education as well.

We can give you more information on that in the week following as we do more research on that and give more specific language on it as well.

Senator SIMON. All right. Let me just say that this is one of the areas that I think we also have to face, that we are not encouraging people to go on to graduate school as much as we ought to be.

Mr. Becerra, what do we do to encourage—we use the phrase "nontraditional student", but let's just say—what do we do to encourage the older student who may want to go to community college, who may want to go to Rutgers or any place else, what do we do to encourage greater utilization of that resource?

Mr. BECERRA. To start off, I don't think you need to encourage them. They want to go, and they need to be able to be provided the resources to be able to go.

Senator SIMON. But my question really is how do we provide them the resources? It's not enough to want to go. How do we encourage them to actually go?

Mr. BECERRA. OK. Child care, we hear about the Federal child care initiatives and the talk about that.

Senator SIMON. I am sitting next to the great initiator right here, Senator Dodd, who has really done a yeoman job in that field here.

Mr. BECERRA. That is one of the most important ways I think we can allow returning students, nontraditional students to get back into the educational system. If I was a father and I had two children or one child or five, I would more than likely would not be

able to go back because I would be working, taking care of my kids, and paying for child care. And if there were some kind of Federal system of child care, we could allow those students to have that free time they need to take those classes and to encourage them to go back. That is one of the most important ways to encourage.

And also, the money. You asked questions about how important the money is, and the question, if I just may address the one that was addressed to you, one of the ways that we can is with Chairman Ford's idea of having less debt burden on the students the first 2 years. If we would grant more grants the first 2 years, there would be less debt at the end so that maybe those first 2 years that they didn't acquire loans could be added onto a graduate program and that would help ease that in the second half of their education.

So there are many ideas already, you know, right in the body that sits before us that would encourage and that would help students to be able to achieve not only an education but higher and graduate education. We have looked at, and we talked about this with USSA last night, is a bachelor's degree enough now? And I have to say "no." My goal is not a bachelor's degree anymore. I will take every piece of paper that says I have achieved on my way up, but I feel you have to get your graduate and your doctorate because that will make you more competitive out there.

Senator SIMON. I thank all of you very, very much for being here and for helping to lead this fight.

Thank you, Mr. Chairman.

Senator DODD. Thank you.

Congresswoman Mink.

Ms. MINK. Thank you very much, Mr. Chairman. It is a pleasure to be here and to be witness to what I consider to be my most important responsibility here in Congress. I am delighted to be back, but not so delighted to look at our fiscal situation and to know that we have so many pressures with regard to the deficit.

But putting that aside, it seems to me that what we have to instruct ourselves through you as members of the Student Association and by these hearings is that there is nothing more important as far as the priorities of this country than educating our people. That is the future, and as we invest in our national security and armaments and military and all of those other things, we can't overlook the importance of investing in the real security for our country, and that is in our educational system.

I am going to do everything I can to put your needs first; institutional needs second. It seems to me if we can't take care of the students and their needs and make access a reality, we haven't really met the fundamental questions that face our educational system.

I think, for instance, the testimony of Tammy Jackson ought to strike at the hearts and minds of all of the Members of Congress. We have programs and student aid and student loans and grants, and if a person is able to take advantage of what little there is there and to pull himself or herself up from the welfare rolls and go through an educational process and get a job, it seems to me that Congress ought to consider some way in which to help that person, such as perhaps a 50 percent forgiveness of the loans.

That, it seems to me, is just a simple, logical, reasonable thing to do. We are always talking about ways in which we need to reform

our welfare system and to get people off the rolls. Well, when one does, it seems to me that the Congress ought to recognize it.

We need to find ways to take students who are already in the workplace but who want further opportunities and put real emphasis on their returning back to the higher education system and also to encourage graduate programs.

There is a huge agenda there. But I think that, unlike Senator Simon—and I hate to disagree with him—that is not the problem that you should be asked to address. That is a problem that the Congress ought to be addressing; finding ways to increase scholarship grants and other programs to make the concept of access much more universally available.

I don't know what the answer is. I know it's difficult, but it seems to me that, as you pointed out, there are moneys for other kinds of systems. We simply have to find the votes necessary to make an educational system what it ought to be, and that is, supportive of the needs of the students.

Thank you very much, Mr. Chairman. [Applause.]

Senator DODD. Senator Wellstone.

Senator WELLSTONE. Thank you, Mr. Chairman.

First of all, let me apologize to all of you. I had a prior engagement, and I am sorry to be late and not be able to take in some of the testimony. So let me just make a couple of general comments and then ask a couple of questions.

I like the spirit of this gathering, and I think that USSA is lighting a candle and leading the way, and I would like to make a request of you or an appeal to you, which is somewhat similar to what Senator Simon said, with maybe a somewhat different twist.

My appeal to you is I hope that this gathering does lead to hearings around the country and that you continue to turn up the heat, that you continue—I will repeat that—to turn up the heat.

There was a sociologist, C. Wright Mills, and he warned once upon a time of the dangers of "crackpot realism." It is "crackpot realism" to say that you are going to increase Pell grants for the poorest of poor students and then cut it off at $10,000 and play off moderate and working-income kids, young people against the lowest-income young people.

Don't accept that. And I hope that the cry that comes from you, and some of my colleagues have said this, everywhere in the country—and I hope you keep coming back here—is that there is a definition of national security that you have to insist on: There won't be any real national security until we invest in the skills, health, intellect, and character of young people and students in this country. Be sure that you continue to say that everywhere. [Applause.]

If I could ask these questions of the panelists, I would very much appreciate your answer. And if I have covered old ground, I apologize, Mr. Chairman.

First of all, just for the record, the Bush administration has argued that the response to the students will be not so much to extend the Pell grant program but to expand the loan program. From your point of view, will that be helpful or not? I am just asking the question because I want it to be a matter of the record.

Senator DODD. I think you got your answer to that one, Senator.

Senator WELLSTONE. Shall we go on with the next question? [Laughter.] Fine. This is going to be a lot of fun. I am going to enjoy this. [Applause.]

Secretary of Education Lamar Alexander has said—I think this is true, Mr. Chairman, and I am almost positive of this—I believe in his testimony that he said that he was opposed to debt forgiveness for students who take lower-paying public interest jobs after they graduate from a university or college. I would be interested in whether or not you look upon that position with favor or disfavor, if you understand the spirit of this question.

Ms. SHAN. Senator Wellstone and the committee, we appreciate all the questions, and they will be answered, a lot of them will be answered in our next panel, but we would really like the next panel to come because they have flown for many miles and we don't want them to get cut off because we have only been given an allocated time to speak.

But that question will be answered in the next panel.

Senator WELLSTONE. Why don't you just say "yes" or "no?"

Ms. SHAN. Absolutely not. It would not be.

Senator WELLSTONE. Finally, and this will not be for panelists, because let's move on. I appreciate that. I would be very interested in the very tough answers, maybe in the next panel, as to the very, I think, fair question that Senator Simon asked, which is not asking you to think of other programs to cut, but I would like for you to think hard about this whole question of whether or not we need to talk about raising revenue and what your position might be in relation to some progressivity applied to the income tax code or how we raise revenue for programs that we really believe are p.iority programs. Should we put that off for the next panel?

Ms. SHAN. Yes.

Senator WELLSTONE. OK.

Ms. SHAN. Let me briefly say USSA has been working on such issues as what you have just mentioned, and we have been discussing it within the organization as well.

Senator WELLSTONE. And so I might get an answer to that from other panelists?

Ms. SHAN. Yes.

Senator WELLSTONE. OK. Thank you very much. [Applause.]

Senator DODD. We thank all of you for being here today and talking about these issues, and particularly talking about your own personal experiences, which is not an easy thing to do in front of a public forum.

Our second panel, and as I read your names I will invite you to come up and take a seat at the witness table and our staff will put your names up in front of you: Beverly Jenkins, a student at the University of Wisconsin, minority affairs director of the United Council of the University of Wisconsin Student Governments, Madison, WI; Jean LaMarre, a student at Brooklyn College, chairman of the University Student Senate; Sheila Stowell, a student at the State University of New York, legislative director, Student Association of the State University; Brian Hooker, a student at Stanford University, member of the committee on undergraduate admissions and financial aid; and last, Matt Ortega, a student at Arizona State University, student body president.

We thank all of you for being here. We are delighted that all of you are here. We appreciate your patience. I would like to ask you each to follow the same sort of procedures that we followed with the first panel, and that is we will accept your testimony in full and any supporting documents you may have with you as part of the record.

We will begin with you, Ms. Jenkins, with your testimony, and we thank you for being here.

STATEMENTS OF BEVERLY JENKINS, STUDENT, UNIVERSITY OF WISCONSIN, AND MINORITY AFFAIRS DIRECTOR, UNITED COUNCIL OF UNIVERSITY OF WISCONSIN STUDENT GOVERNMENTS, MADISON, WI; JEAN LaMARRE, STUDENT, BROOKLYN COLLEGE, AND CHAIRMAN, UNIVERSITY STUDENT SENATE, BROOKLYN, NY; SHEILA STOWELL, STUDENT, STATE UNIVERSITY OF NEW YORK, AND LEGISLATIVE DIRECTOR, STUDENT ASSOCIATION OF THE STATE UNIVERSITY, ALBANY, NY; BRIAN HOOKER, STUDENT, STANFORD UNIVERSITY, AND MEMBER, COMMITTEE ON UNDERGRADUATE ADMISSIONS AND FINANCIAL AID, STANFORD, CA; AND MATT ORTEGA, STUDENT, ARIZONA STATE UNIVERSITY, AND STUDENT BODY PRESIDENT, TEMPE, AZ

Ms. JENKINS. Thank you. I would like to thank the committee members today for this opportunity to speak to you. My name is Beverly Jenkins, and I am the minority affairs director for United Council, which represents over 170,000 students in Wisconsin. That council is one of the oldest and the largest State associations in the U.S.

As a student at University of Wisconsin, Madison, I would like to address two themes to you today. They will be enhancing access to postsecondary education and also ensuring our country's future and that of students of color.

When I started my college education, my financial aid package consisted of college work/study and grants. Now, 3 years later and a few Perkins loans and guaranteed student loans later, I am no longer eligible for work/study, and I have had to literally rob my younger sister's trust fund to pay for college. I have a debt of close to $6,000, which is extremely excessive, considering that I have maintained at all times at least two part-time jobs and joined the Reserves in order to finance my education.

In addition, I would rather work than take out a loan. However, I am no longer eligible for work/study, which is probably a result of the 28.5 percent cut in funding for work/study since 1980. And I have instead been forced to take out loans. And I want you to remember, grants are not the same as loans. Grants actually decrease how much you must pay for college, while loans, after you pay off the interest, actually increase your cost of attendance.

I am not the only student in this position. The shift from grants to loans in the Federal student aid system has made it harder and harder for students to stay in college and will make it harder for me to pursue graduate school.

In addition, I am one of too many students who joined the military because I thought it was the only way that I would be able to

finance my education. I believe that a career in the military is a perfectly legitimate choice, but it should be just that, a choice. It is not something people should pursue because they are desperate for ways to go to college.

This is why USSA and UC strongly support your efforts and that of Senator Kohl of Wisconsin to create a larger awareness of student aid opportunities. The Department of Education should undertake a publicity campaign, model it after the military's successful "Be all you can be" campaign. I am positive that more students know of the words to this theme song of "Be all you can be" than those who know of the Department of Education's toll-free information number on student aid. [Applause.]

The General Accounting Office issued a July 1990 report that concluded that both students and parents were generally unaware and uncertain about the availability of student financial aid. One national survey found that only 12 percent of high school sophomores knew that programs were available and only 8 percent believed that Stafford loans were available.

This year is the 25th anniversary of the Higher Education Act, and what better way to celebrate this milestone of a birthday than to publicize these great, important programs?

In terms of preparing students for our future, we need to provide postsecondary educational opportunities for students of color. The University of Wisconsin has one of the poorest records for recruiting and retaining students of color. In 1990–91, less than 5 percent of the University of Wisconsin students are Asian-American, Latino, African-America, or native American. Yet, we will face serious labor shortages if we do not educate these increasing number of people of color in our country.

If we truly want to be more inclusive of diverse populations, it makes no sense to eliminate and cut back proven programs such as college work/study, State student incentive grants and Perkins loans, which have been proven to work for these populations.

Specifically, the State student incentive grant program provides an important way for schools to recruit and retain students of color. They could follow the lead of other States that have need-based grant programs that target people with disabilities, students of color, and low-income graduate professional students.

Also, the TRIO programs are crucial to the equal participation of students from disadvantaged backgrounds. I, like 80 percent of other Upward Bound high school graduates, went on to college, and student support services and adequate financial aid are crucial to retaining these students once they are in college.

In conclusion that is all I have for you today. I want to thank you again for this opportunity to speak. Thanks for the USSA for requesting this hearing and their participation. Thank you.

Senator DODD. Thank you very much.

Dean, thank you for being here today as well.

Mr. LAMARRE. Thank you, Senator Dodd, Representative Ford, and members of the committee. My name is Jean LaMarre. I am a 23-year-old senior at Brooklyn College in New York, and I am the chairperson of the University Student Senate, which represents approximately 200,000 students at the City University of New York system.

You have heard different testimony today, many of which I found extremely informative and, to say the least, unnerving. I bring you today the tone and mood of New York State insofar as higher education is concerned. I came back from Albany yesterday, our State's capital, with a colleague of mine, Ms. Kahina VanDyke, and left the governor, Mario Cuomo, and the State legislature in utter chaos over a proposed $204 million budget cut in education.

Many of those cuts are in the area of financial aid. The City University of New York is approximately 200,000 students strong. Most are independent. Seventy-eight percent are people of color. Nearly a fourth of them support children. Fifty percent of them have family incomes under $22,000. Two-thirds of the students must work.

For most, college is a financial strain. But with minimal tuition and adequate financial aid, funded by both State and Federal Government, we can increase access to higher education throughout this country. Yet, the President is proposing that we eliminate the State student incentive grant program. With 35 States running deficits, it is clearly not the time to terminate Federal contributions to State need-based grant programs.

And clearly, there is more we could do for the new majority on campus. I am talking about the nontraditionally-aged students, the ones who need child care as much as they need financial aid in order to access higher education. They are the reason why we need to continue authorizing special child care services for disadvantaged college students. That is title IV, part A, subpart 8.

The new majority also consists of the part-time student. The majority of commuting students are part-time students. Yet they are not eligible for Pell grants or Stafford loans, the largest Federal student aid programs.

We need to serve the needs of veterans also by reauthorizing the veterans education outreach program, title IV, part A, subpart 7.

There is so much we need to do to make access a reality for all students. Governor Cuomo says that the national government is just not doing their part. The national government says they are doing their share. No one seems responsible for a deteriorating educational system in this country or soaring educational costs.

As a Pell grant recipient myself, I found this type of a grant a great incentive for students who need help paying for books, fees, housing, or even paying back loans. These types of support programs keeps the student in school and off the streets, possibly finding other ways of raising revenue.

If we say "no" to drugs, we must say "yes" to education. [Applause.]

I believe that I am an example of an educational system that can work. I am a first-generation college student, originally from one of the poorest countries in the western hemisphere, Haiti. I was, however, lucky, because for every one of me there are 10 more young people in New York who cannot afford the increasing cost of attendance at most of our colleges.

How severe is the situation? Well, on December 6 of this past year, the City University of New York increased tuition by $150. On that same cold December morning, the headlines of the New York Post read, "Teen Murders for College Education." A young

man the day before murdered a woman so that he may access funds to subsidize his college education. This is how drastic the situation has gotten.

Before I leave, let me say that a colleague and I made a quotation, made one up, first in jest, and then realized how important it really was. And today I wish to share it with you: If this country does not nourish the mind, it will be forced to nourish the bellies.

Thank you.

Senator DODD. Thank you. Sheila, we welcome you as well.

Ms. STOWELL. I would like to thank Senator Dodd, Representative Ford, and the members of the committee for this opportunity to speak to you today. I am Sheila Stowell, and I am a student at the State University of New York at Albany, as well as the legislative director for the Student Association of the State University.

We believe that Federal financial aid programs have been crucial to the college access and future of countless students, but could be even more effective. First, financial aid plays a critical role in assuring that students actually have a choice over what institution they attend. Unfortunately, the rising cost of college forced me to transfer from Brown University to SUNY-Albany. While both schools are good, we believe that if you are going to embrace choice on a primary and secondary level, you must embrace it on the postsecondary level as well.

Second, I am lucky that I was able to navigate through a complicated obstacle course called the student aid application process. I receive a Pell grant, a Stafford loan, a tuition assistance program award, a supplemental educational opportunity grant, but I still have to work 30 hours a week to cover my costs of attendance.

And last semester we suffered a midyear tuition increase of $150 as well as a TAP decrease. If you cut me off from SUNY-Albany, where else will I go?

Not only has funding for these programs been cut over the years, the application process in itself is a barrier. As Anika Jagana testified before the Senate Labor and Human Resources Committee, when applying for student aid there exist many different forms for different things, and then there are different forms for a lot of the same things, and then there are similar forms for totally different things. Just as there is an EZ form for filling out your taxes, why isn't there an EZ form for applying for financial aid?

And if the very complex and lengthy application process isn't bad enough, you have to run around constantly updating your status. Every semester I have to get a deferral form indicating that I am still an enrolled student to prove that I should not have to start repaying my loan. At Brown, I could get one deferral form for the year.

The updating process as a whole is far too confusing and unnecessarily elaborate. Unless your financial condition changes dramatically, you should not have to fill out all the forms again award year after award year.

Another example of the sheer complexity of the system is that this summer, when I turned 24 years old, I think I will be an independent student in the eyes of the Federal Government, but I still may not be according to New York State.

Because this is such a complicated system, students do not learn vital pieces of information. I did not even know that there was such a thing as a special-conditions form that students can fill out to request more aid if they suffer a sudden change in their finances. SUNY students who suffered a midyear tuition increase should have known about this procedure.

In addition, I am sure that many loan defaults are caused not by malicious intent but by an honest lack of information on the repayment process. Hence, we would strongly support attempts to simplify the application and update the system. One free form for all types of financial aid would be so less intimidating and user-friendly. Likewise, attempts to create an electronic network and database of the different types of student aid, such as Senator Kohl's bill, would be so useful in getting the word out about financial aid. Right now, too many do not know about financial aid, and too many are discouraged by the complexity of the application system.

Last, we need to do a better job in letting youth in this country know that college is a reality for them. Early intervention works. TRIO programs work. And it is clear that early awareness of student aid opportunities helps get young people into college.

Third, we oppose any attempt to delay the disbursement of student loans. We understand that this kind of proposal is an attempt to cut down on the number of student loan defaulters. However, you will force a lot of people to drop out of college or to postpone their entrance if you deny them the proper payment of their student loans.

In fact, students are already getting their loans late. For example, I received my last GSL payment so late that I had to pay a late fee—like I could afford to. And my mother took out a PLUS loan to pay for my tuition. If the loan had come any later, I would have been dropped from registration. Delayed disbursements would only cause more hardships for students trying to get an education.

In conclusion, I would like to thank you for calling this hearing and thank USSA for asking me to testify. The student aid programs work. Let's give them the funding that they—and generations of students to come—deserve.

Senator DODD. Thank you very much.

Brian, thank you for coming.

Mr. HOOKER. Thank you, Senator Dodd, Congressman Ford, and members of the committee. My name is Brian Hooker, and I am presently a junior majoring in electrical engineering at Stanford University. I would like to sincerely thank you for holding this hearing, and I would also like to thank the U.S. Student Association for affording me the opportunity to speak before you.

I have brought with me written testimony from many students at Stanford who are very concerned about the reauthorization as well as a letter from the director of our financial aid office at Stanford, which I will submit for the record.

Senator DODD. And we will include them in the record.

[The materials referred to are retained in the files of the subcommittee.]

Mr. HOOKER. Thank you.

Allow me to share with you a little bit about myself. I was raised by my mother, and I have never seen my father, let alone received

any financial contribution from him. My primary and secondary education took place in the inner-city public schools of Atlanta and Chicago and the rural public schools of Pine Bluff, AR, schools which did not have anywhere near the resources of a Philips Exeter or even the average suburban public schools.

On the surface, it seems amazing that I did not become yet another statistic. I was fortunate to have a mother with a strong belief in education, a high school counselor who alerted me to many scholarship and educational opportunities and a great deal of self-motivation and self-confidence.

Many students of color simply do not have these advantages. Very few individuals in inner-city public schools are aware that college is within their reach. This widespread lack of both self-confidence and awareness of educational opportunities results in thousands of capable minority students giving up on higher education before they even give it a shot.

Self-motivation is even more difficult to hold onto when every day the American media bombards us with negative images of people of color, especially young men of African descent.

I am living proof that the availability of scholarships and awareness of this availability have a tremendous impact on what educational path one will take. Throughout high school I knew very little about financial aid. I realized there was no way my mother could afford to pay my way through college, and I believed the only way I could go to a school like Stanford was if I got a full academic scholarship. If I hadn't truly believed in myself, I too would have given up hope at that point, as do so many other people of color.

I was lucky enough to have received acceptances from a number of such private schools, but my financial aid packages were another story. The various packages of grants, loans, and work/study were reasonable.

What was not, however, was my mother's expected contribution. She and I were still suffering from the tremendous consumer debt we had been forced to take on when she went to college to get her Ph.D. However, the monthly outlays required by the calculation of her expected contribution was simply too much. Every month I helped my mom balance her checkbook, and I knew that we rarely had over $150 left for food and other expenses after all the bills were paid.

Yet, each of the schools that accepted me expected her to be able to contribute over $600 a month for my education. I strongly encourage you to adjust the congressional methodology needs analysis to more accurately reflect the family's ability to contribute to college costs.

I am fortunate enough to be the recipient of a generous minority engineering scholarship. Without it, there would be no way I could afford to attend Stanford. However, it is unfortunate that my scholarship income is considered taxable income, for this "income" is my education. Most of this money never even touches my hands, yet I must work long hours to pay taxes on that which I never had.

Please, eliminate all taxes on need-based and merit-based student aid.

Minority scholarships and increased financial aid are indeed crucial to the retention and recruitment of disadvantaged students. In

the 1970's, when the Pell grant program reached its highest funding levels, this country made great strides in increasing the college access of low-income and minority individuals. Yet, the over-complexity of the application system, emphasis on loans, and uncertainty regarding the award totals due to variable funding levels makes it difficult to rely on student aid to get you through college.

The Higher Education Act could be greatly improved by providing better information dissemination on student aid and by creating more accessible and centralized ways to look into all types of Federal, State, institutional, and private financial assistance for college. Students should not learn about financial aid by accident. They should know about it before they even get to high school.

The difficulties of securing adequate funds for college is not the only reason students of color are often unsuccessful, once enrolled. Special minority programs can be very effective in helping students deal with the everyday rigors of an environment vastly different from that which they came from.

For example, the minority engineering program office at Stanford has been an invaluable resource for my peer group. More Federal funding for TRIO student support services would improve the overall effectiveness of minority scholarships by improving the graduation rate of students of color.

Last, I urge you to create a system that emphasizes college choice. The most prestigious postsecondary institutions in the country should be accessible to the poorest student. Minority scholarships, along with adequate funding of student aid programs, make a difference in the lives of millions of students. The student aid programs work. What we need from you is your commitment to fully fund them.

Thank you once again for the opportunity to testify here today.

Senator DODD. Thank you very much.

Senator SIMON. If I could just interrupt, Mr. Chairman. Unfortunately, I have to get to another meeting. I think the witnesses, this panel and the previous panel, have just been superb. We really appreciate what you are doing, and your helping to get the message across about what is needed in this Nation. Thank you.

Senator DODD. Thank you, Paul.

Mr. Ortega.

Mr. ORTEGA. Thank you, Senator Dodd, Representative Ford, members of the committee. I consider this opportunity to speak before you an honor. My name is Matt Ortega. I am the student body president of Arizona State University. I am here to urge your support for continued and enhanced funding of critical financial aid programs which will be reviewed during this reauthorization process.

I will make the important arguments, and then I will add my best argument—the story of my success, due largely to the availability of financial aid. I am half Hispanic and half native American. The socioeconomic environment that I come from could be described as third world rather than typical American suburbia. Coming from a small town in northeastern Arizona, I could have easily—and I emphasize "easily"—slipped through the cracks in the American educational system had it not been for two pivotal

factors: People who believed in my basic worth and the financial aid moneys made available through the Higher Education Act.

It is not uncommon in the area that I come from to observe countless broken dreams. Hispanic students who dream of breaking out of a small-town environment and depressed economy into competitive jobs, jobs that require postsecondary education. Native American individuals who dream of contributing to their communities by becoming doctors and attorneys, but who never make it past the basketball courts and trading posts of the reservations they live on.

Many of these people never learn to be all that they can be with anything, much less with an education that they can afford. When I read the latest statistics in the newspaper, when I look around my own campus, it becomes evident that these individuals are the forgotten people of our country when it comes to financial aid and access to postsecondary education.

The latest information paints a frightening picture of my people. College enrollment for Mexican-American high school graduates has plunged dramatically since 1974. Low-income Latinos who had graduated from high school in 1974 were enrolling in college at a rate of 50.4 percent. But now that rate has dropped to just above 35. At the same time, native Americans have continued to drop out of high school at the highest rate (35.5 percent) of all people of color.

Now, more than ever, these trends need to be reversed with increased funding to special programs such as TRIO, which serve low-income students, students of color, students with disability, and first-generation college students.

TRIO programs are extremely successful. Participants are twice as likely to complete the first year of college and four times as likely to earn a degree than similar students not served by the program. Yet, because of underfunding, less than 10 percent of the eligible population is served by these programs.

When I talk about people having taken a particular interest in my future, I address another problem from which I narrowly escaped. The reason I became aware of financial aid was primarily because individuals with whom I had contact in high school went out of their way to inform me of the different financial aid opportunities available to me. Had some key people not gone beyond the call of duty in getting me to find and understand information about Pell and other programs, I would never have realized that college was a realistic financial option.

The bottom line is that not enough publicity is given to available financial aid programs. I remember seeing a lot of ads about joining the Army during high school, but I can't remember seeing a single commercial about how to find out more about financial aid.

The U.S. Department of Education needs to embark on a more aggressive campaign to outreach to students in faraway places like northeast Arizona early on so that they can work toward their education with a true sense of their future options after high school.

I wasn't surprised to find that my ignorance was more the rule rather than the exception. Moreover, as a first-generation college student, I was thankful for the people who helped me wade through the mass quantity of paper involved in applying for stu-

dent aid. I was also lucky to have received a Pell grant along with merit-based scholarships. However, too many of my peers are not lucky enough to have someone able to spend extra hours helping them through the maze of inadequate financial aid information, complex applications with fees attached, and a feeling that college is simply out of reach.

To help solve this problem, very-low-income students should be exempt from completing financial aid applications and their expected family contributions should be set at zero. Additionally, one free standardized and simplified national application form should be created for Federal, State and institutional aid.

I truly believe that the United States is the greatest country in the world, but for it to remain great, it must tap the unrealized potential of students who are seldom able to break out of the constraints of various levels of poverty, due to a lack of access to higher education.

I commend you for creating a very workable and potentially effective financial aid machine. That machine, however, cannot run without fuel. Without the appropriate increases in funding for the programs that I have mentioned, the dream of universal access to higher education, of a more prosperous and educated Nation, of a country that affords to its people a real chance of success through education will be lost, much like the dreams of my people caught on the reservations and the small, poor towns of Arizona.

I thank you for this opportunity to testify.

Senator DODD. Thank you, Matt.

We thank all of you. Your testimony is just excellent, and I am confident I am speaking for every member of this panel up here when I tell you that.

We listen to a lot of witnesses, as you might imagine, and a lot of different committees over the years that we have been here, and I am not exaggerating when I tell you that this panel and the one that preceded you are about as eloquent and articulate as any one of us have heard, regardless of how long we have been here and the number of committees on which we serve.

So I want to commend each of you individually and collectively for your efforts.

Let me ask you one question and then turn to my colleague. There is a provision, as I understand it, that allows families with incomes below $15,000 a year to fill out what they call the simple needs test forms, rather than more complex FAA forms. However, it is my further understanding that only about 10 percent of those eligible actually use the simple form.

I wonder if you might comment on why you think this is, and is it possible that families think that if they fill out the simple form, they may be less likely to get the aid?

We have heard some evidences of this, that if you go the simple route, you may not be giving enough information and you are frightened that somebody else is actually going to, in a competitive environment, actually win out, so rather than use the simple form, you go to the larger form to make sure that you have whatever the main questions that are asked.

Maybe we could begin with you, Sheila, since you talked about it a bit, and ask why more people who are eligible don't use the simple needs-test forms.

Ms. STOWELL. I think it has a lot to do with lack of awareness. It might just be because a lot of students, when they're applying and their high school students and they're applying to college, they look immediately at the price tag and do not think about how much aid goes into it.

For example, I attended Brown University, and Brown University, because of its large endowment, was able to give me a private scholarship, which left my bill very, very similar to my bill currently at SUNY at Albany.

Senator DODD. Right.

Ms. STOWELL. But a lot of people are not aware of the aid availability out there or even the paperwork that can help them cross over all of the paperwork that they need to do.

I think that what needs to occur is, there is already a lot of indicators out there that people who have a low socioeconomic background, they may receive aid to dependent families, etc. Those students should be able to avoid all financial aid paperwork immediately because there is already justification out there existing that they don't even need to fill out an additional form.

So I think it has a lot to do with lack of awareness about different forms that are out there, as well as being awestruck by the costs of college.

Senator DODD. Yes.

Mr. HOOKER. Senator Dodd, I would like to add to her answer. Unfortunately, the simplified needs-test calculates a higher expected family contribution that is used for calculating student aid packages than would be found using the regular formula. So even in cases where people are aware of the existence of this form, if someone were knowledgeable enough to know that and pass that information on to them, that would also discourage people from using the simplified needs test. That is something that should be addressed definitely.

Senator DODD. You are reading from something there?

Mr. HOOKER. Yes. I am reading from the ACCESS organizing manual for the U.S. Student Association.

Senator DODD. We have that up here. We all have copies.

Mr. HOOKER. That information can be found on page 60 under recommendation 7, simplify the application process.

Senator DODD. Yes. All right. Great.

Does anyone else want to comment on that, Jean or Beverly?

Mr. LAMARRE. No, I don't want to sound redundant. I mean I think Sheila touched on it, really.

Senator DODD. Let me ask the same sort of questions I did the first panel on just that first point. We are talking here of the focus on higher education, and yet it seems to me there is a missing link in the secondary educational area in terms of the kind of assistance and guidance and support that you're getting at the high school level.

Now, obviously, if you're an older student and out, then it's a different matter, and that obviously has to be addressed separately. But I am intrigued about what goes on at the high school level in

terms of the awareness, the support, and the knowledge. I presume most of these people want to be helpful, it's more a question of what their knowledge level is about what needs to be done.

I wonder if you might just comment on that point as well. Beverly, do you want to start?

Ms. JENKINS. In focusing on that, not to keep comparing it to the military, but you have to understand the dichotomy of what people think is important.

If you go to any high school guidance office, you have information there in every branch of the Service. They will tell you, "Oh, you're poor. You might want to consider the military." The commercials are there on TV every day. They are sending information to your house. They have access to databases from the high schools. Why isn't that database used to send information to the same students about all the Federal aid packages? It just isn't done. [Applause.]

Senator DODD. I understand that, and that is a point. But what about counselors, what about guidance? I mean, they're not all promoting you to go into the military, necessarily.

Ms. JENKINS. A great deal of them do. And we are not even addressing yet if these counselors are trained, which they aren't, to deal with students of low, disadvantaged backgrounds, people of color, people with disabilities. They are treated differently than a lot of other students who are pushed into specific programs, schools, and taught about various programs. Something like that could be handled under TRIO programs and special services, where money would be funneled into high schools for training for a simplified package to be published which lists all the programs which these people have to use as an organizing manual for delivering to students. It just isn't done. There is a different process at each high school and each city and each State. There needs to be one developed packet with all this information so that all the counselors know what is going on before they can tell the students.

Senator DODD. Very good.

Mr. FORD. Could I ask a question?

Senator DODD. Certainly, yes.

Mr. FORD. At your high school, how many students was the counselor that you had access to responsible for?

Ms. JENKINS. My graduating class was 350, close to 400. That's just the senior class. So I'd say it was close to 3,000 students, and there are three guidance counselors and none of them were even people of color. So, of course, I was told not to apply. And I basically didn't. And I was told that I should go into the military.

Mr. FORD. How about the experience of the others? How much access did you actually have in high school to a guidance counselor?

Mr. HOOKER. The access to the counselors in my school, there was one counselor for 400 students, one for each grade level. And the thing about the counselors is they didn't start providing information on need-based financial aid and the existence of those packages until our senior year, when we were starting to apply for schools. The whole process needs to be reformed, where we are made aware of need-based financial aid early on so that we can

plan on that, do well in school, and have a hope of going to college at the crucial ages in the 9th and 10th grade.

Mr. FORD. Matt.

Mr. ORTEGA. Congressman, we had at my high school, a very small rural community high school, two counselors for about 800 kids, and they mostly just dealt with a lot of the traditional things you think a counselor would, you know, psychology-related things. Very little knowledge on financial aid information. As a matter of fact, ACT puts out different forms for processing, and I have found to my disappointment that my school had the wrong form 2 years in a row that I used that my own university had already given up years before. So that made it very difficult for kids that came off the reservation, that came in 50–60 miles a day, going back and forth—for tax returns from 1982 or something like that. It made it very difficult.

Senator DODD. Yes.

Yes, Sheila.

Ms. STOWELL. With my situation, I am an Army brat; that is, I am the daughter of a former career soldier in the Army. So I attended three high schools. My senior high school, Washington Irving High School in Manhattan, there was one guidance counselor for the school, and she was very, very overburdened.

My senior class was approximately 350 to 400 students. And I would say that even though she had a lot of heart and sincerity, she was far better versed on filling out college application forms and staying on top of those who applied to college for getting their forms in on time than financial aid information and being versed in that. I think that the extent that she engaged in that was pretty much, "You need to get your forms in on time."

If we had such resources as Senator Kohl's bill, which would allow information about college and about the financial aid process to be disseminated to the public at large, it wouldn't matter if you're a nontraditional student, if you're a student who has attended several different high schools, you would be aware of that beyond high school, into junior high and perhaps even to elementary school where it's really necessary for you to start getting acquainted with the concept of college.

High school is a little bit too late because you're already in the throes of going to an institution, and if you're aware of that at a much earlier age, then you'll be able to wade through the process a lot easier.

Senator DODD. Anyone else?

Mr. LAMARRE. I think we would be fooling ourselves to think that the average high school student is walking around, or the high school senior, informed about financial aid. For me personally, my parents acted better as my guidance counselor. And I think for the large majority of students that's the case, where parents tell you more about financial aid than the people who are paid to do that.

But I really don't want to focus on high school, I would like to focus and shift us back to college and universities and retention and being able to provide educational opportunities for students who have actually crossed that barrier. So, again, I don't know, I don't want to be rude, but maybe just to focus our attention more on educational opportunities.

Senator DODD. No, I think that's a good point. Here we are hearing so consistently that it's the application process, the complexity of it, the absence of information, the redundancy of these things that do an awful lot to exclude people. The ones who are getting in are people who are fortunate enough to have parents who care about it or who happen to have run into a guidance counselor who happened to pay a particular amount of attention because you were a good student and saw an opportunity but missed others.

So we are dealing with people who, in many cases, I would suspect, are going to figure out how to do this one way or the other, because either they have made the commitment themselves or others have.

The tragedy is the kids who are not in this room today. You are articulate, you are eloquent, you are well read, you have a lot of motivation, you have had people behind you. What we are talking about here are people who aren't in this room and don't belong to this organization, who never get in the door. That's the tragedy.

So you've got to begin, it seems to me, by trying to figure out how you make that net larger, how you tighten it up, so that those people who are falling through the cracks every day, who could be at this table, should be at this table, but are not.

So I don't disagree with you, but it seems to me we're missing a whole crowd out there that we have got to reach.

Congressman Ford.

Mr. FORD. Just by way of background, we have been down this road before. My first year here, we passed the Higher Education Act of 1965, and I have lived with it and all of its children ever since. And then we also passed the Elementary and Secondary Act, which had a good deal to do, in its early life, with what we are talking about.

One of the things we recognized very early was that young people coming from a household with uneducated parents or an educated parent who had their own life experiences to pass on to the children may not have been encouraged to attend college. There were some lucky ones at the low end of the economic scale who were encouraged, and in fact did, attend college. I was the oldest child of two parents who neither finished high school, neither of them. Therefore, I was the first one to go to college, and I have always been very conscious of the fact that but for education I may have been like my father who died in a factory at a very young age, in his early 40's or maybe I would be retired now if the factory hadn't gone out of business and my whole life would have been different.

But it wasn't school that did it for me, it was World War II. The Navy tested me and sent me to college, and I found out that I could do the same work as the rich kids could do and the smart kids could do. And then there was no stopping me from that point on.

Glen Becerra was talking my game when he was sitting where you are, Matt, because he discovered, after he went down the road with kind of lousy grades but not too bad, they were good enough to get him through and even got a high school diploma. But they weren't going to send him any place, and then something happened and he changed.

Well, not all of us came to this job from a life within a family where they took college for granted. It was taken for granted in my blue-collar neighborhood that we were not the kind of people that went on to college. You talk about people of color, in this country you don't have to be black to be considered to be in the wrong class to go to college.

But World War II started to change that because it took a whole lot of us who never should have been inside of college and sent us to college. We proceeded to demonstrate to ourselves and others that we could succeed at the same things that the third-generation college graduate could do.

That is what we are trying to do now with people who are still trying to get on their first step up the ladder. That is why Chris is talking the way he is talking.

Jean, you've got to be a little patient with us. President Johnson's speech on the Higher Education Act would be different today because in 1965 we still talked about college students as "he." It wasn't until the 1970's that we stopped using the word "he" and "him" when we talked about college students in Federal aid.

His speech came up, and he said what we really ought to be doing is using the resources of the Federal Government to make sure that every person who wanted to go to college could go as far and proceed as much as their talent and their ambition would take "him." I never forget that when I try to quote that speech, I have to change the "him" because young people won't stand for referring to college people as "him."

But colleges were, as recently as 25 years ago, overwhelmingly "him" and "white." When I went to college, they were almost exclusively "him" and "white." I had three women in my law school class. Only two of them finished, and both of them became law librarians because at that time that was a "respectable" thing for a woman lawyer to do. They didn't let them go into courtrooms and try cases. Thirty-five years ago, there were very few places in the country where you would see a woman in a courtroom.

My own son went to that same law school and graduated with 28 percent females. One of whom just recently left, I am sorry to say, as a Reagan appointee, the general counsel to the National Labor Relations Board. They turned out both good people and bad people at the same school.

Senator DODD. You're all alone here. You're getting away with that line.

Mr. FORD. But I went out to that same school for an honorary degree the year before last, and 51 percent of the graduating class was female. So, change has been taking place, and part of what Lyndon Johnson contemplated has been happening.

Glen Becerra, by his own statement, comes from a family of migrant workers. We know that only 10 percent of the children of migrant workers finish high school. And they are at the heart of what we started doing with ability-to-benefit because in the HEP and CAMP programs we discovered you could take people without a high school education and they could in fact succeed. And there is a tremendous success rate.

But the counselor problem that Chris Dodd brings up is at the heart of this. In my district, which is blue-collar and 95 percent

white, according to the census, it is a very high ambition for their kids to go to college. But the average counselor in those predominantly white suburban schools is responsible for at least 1,000 students in high school. And when I talk to them, I find out that they spend most of their time counseling them about drugs, about probation because they are already on probation, or other kinds of problems, and very little time can they give to the students talking about the kids' future other than to get them out or keep them out of jail. They can't talk to them very much about where they're going to go to college.

Now, back when Lyndon Johnson asked us to start all of this, in the Elementary Act we provided money to beef up student counselors because we said if you're going to take care of the needs of people who don't have parents or big brothers to give them guidance, you need somebody else to do it.

We started building that capability. And that was another thing that Mr. Reagan's budget gets credit for. That whole concept got folded into something called Block Grants early in the Reagan administration. And so it's now optional to use the Federal money to provide for student counselors. But it's an option that ends up very low on the scale, and they're not really worried about anything except how to keep the kid out of the principal's office. And as Chris says, there are an awful lot of talented Americans out there of all colors, and all languages, for that matter, who are being missed, and this country can't afford to waste its human capital the way we do in this country.

The Israelis discovered a long time ago they couldn't afford to have uneducated people because they were too small and too threatened. Well, the United States isn't so big that it's got people to throw away. And every time we miss somebody that Chris describes as somebody who ought to be in this association, who ought to be in a college and who ought to be at that table, we are throwing away a valuable resource for the United States. But we are not trying to talk to you about representing people other than yourselves.

I want to close by telling you that I have been with this legislation from the very beginning and never have I seen this kind of sophisticated presentation.

I see a person smiling back there, who I suspect had a big part of this presentation.

But, you know, if the National Association of State Colleges and Universities could put five university presidents in front of us that made half as much sense as you people have made, I would be surprised. [Applause.]

Now, I don't want to discriminate. The other organization, the National Association of Independents Colleges and Universities is also challenged to come up with five representatives that can top you.

I think that what we are trying to do is tell you how much we appreciate what you're doing, and we are sitting here hoping that you are all carrying an infectious disease that reflects what we have heard and seen here today that is going to go back there and infect others.

You know, if the President sends us a budget to cut Medicare, all hell breaks loose. We get mail like it's going out of style. If the President sends us something that affects taxes, we get lots of mail. But he sends us up a budget that cuts the heart out of work/study, out of Pell grants, out of the loan programs, and it doesn't get a ripple. We don't get a letter from anyone.

So, when Chris and I go to our Appropriations Committee and say, "Hey, we've got this nice law on the books. How about some money?" they say, "Who cares?"

You have got to go back and get pushy. You've got to go back and get uppity. You've got to go back and be irritating. And I am not advocating burning any campuses or shutting them down. But if it's necessary, I am not telling you you shouldn't either. [Applause.]

Senator DODD. You can start in Michigan. [Laughter.]

Senator WELLSTONE. Whoa!

Let me just ask one question because I can't say it nearly as well as has been said by Congressman Ford. This is the start, and I assume there is going to be a real strong voice coming up from the grass-roots level all across the country. That is just going to be critical just to keep the heat on.

I have been a college teacher for 20 years before coming here to the Senate, and this has been heart-and-soul testimony. There was one thing that one of you said on this panel that really moved me, and this is my question, and I can't remember which one of you. It had to do with, you know, for here I am but there are 20 others that didn't make it. Somebody said something like that.

I would just like to get a quick or short summary from each of you in response to this question:

If we stay with the present course on the budget cuts, either in terms of its impact on students that are now in our colleges, universities, vo-tech schools, or those who want to attend, if we continue with the present course, what is it going to mean in human terms?

I want to know that. I want that to be part of the record. Do you understand my question? What is it going to mean in human terms?

Mr. ORTEGA. I guess I will start out, Senator Wellstone. I think you are going to have a very angry and frustrated and uneducated citizenry out there, and the first example that comes to mind for me is those individuals who maybe just got through with a high school education, got out in the workforce for a while, are maybe middle-aged or upwards from that, are finding that in our changing society because of technology, whatever reasons, may find themselves at a time in their life when they lose their jobs, they lose their employment because they just can't keep up with what's going on in technological changes.

I am specifically addressing nontraditional reentry students. You have a whole group of people out there who are goin[illegible]ave to be retrained, reeducated to handle some new jobs. And [illegible]st see the logic to making the investment with people when they are younger so you don't have the incredible costs you're going to have retraining a whole set of people out there. I see us going in that direction.

Senator WELLSTONE. If each of you could respond in your own way, I would appreciate it. If each of you could respond.

Mr. HOOKER. Senator Wellstone, as one of the students testified earlier, for every dollar you put into financial aid, you get back over $4 in increased tax revenue, lower incarceration, and lower welfare charges that the government must pay out.

When you say if we continue along the present course, the present course has been decreased. Since the mid-1970's and since the Reagan administration, funding for education and the grant/loan balance and everything that we have been talking about has been going down, where the technology requirements out there in the world and just the human labor requirements are requiring that education go up.

So we have a direct conflict here, and, you know, we are already in a critical stage but it's going to get much worse. And we just would like to see a reversal of this trend of decreasing funding.

I would like to add real quickly—Senator Simon is no longer with us to talk about the money issue, and we want to make sure that we bring that up as well—where we have looked into this, where we could try to start getting more money from.

One of the things is the efficiency of the financial aid programs. The Stafford loan program is very inefficient. A very large percentage of the moneys go toward paying the middleman, these private loan institutions, in addition to administrative costs and things of that nature.

You know, the military can afford to pay $20 for a hammer and $600 for a toilet, but with our limited budget, we cannot. We must streamline that. And so I would just urge you to have your aides go over these things in minute detail to stop and to reverse the trend of education funding which is going down and down and down.

Ms. STOWELL. I would like to echo the previous speaker and say that the current course of devastation. I know that on a personal level, the midyear tuition increase of $150 as well as the TAP decrease for me meant money coming out of my pocket which was not accounted for which was not originally planned for and which was a grave sacrifice for me and my family.

Now, my Governor, Mario Cuomo, is speaking about instituting another $500 tuition increase and also instituting more decreases in terms of financial aid, a concept I have yet to understand, which will probably mean that I may not be able to attend the university next year. That's how deep it is, that's how real it is, and that's how current it is. It's not just a matter of people who would like to attend college, even though that is of great importance, but you're also losing out on a generation of people who are already in college. I have one more year left to go, and if I am not able to complete it, my high school degree is not going to allow me to pay off the loans that I have already incurred.

So you are talking about losing at least one generation of college students who will not be able to solve the economic crisis that we are in, because there will be nobody out there generating the type of economy that we need to survive. [Applause.]

Mr. LAMARRE. I am very, very glad you asked that question, Senator Wellstone, because I am the one who brought it up in my testimony because I believe that we have to look at it like that, in

human terms. Limited access is what we are talking about, really. OK. There is a national trend to select the kind of people that we want to educate, and that seems to be the biggest problem.

At the City University of New York, tuition at one time in 1972 was free. It was an institution whose mission was to educate the poor and working classes of the city. It did a wonderful job of filtering some of its graduates into some of the top corporate positions in the city. In fact, Colin Powell is a graduate of City College. So that is what I am talking about.

In 1991, almost 20 years later, the City University of New York is no longer tuition-free. We are paying $725 a semester. $725 a semester may not mean a lot to some people in this room, but it means a lot to that one person who can't afford it. And there is, in addition to that, a proposed $500 tuition increase, as Sheila mentioned, by our Governor, Mario Cuomo. So tuition may next year be in the amount of $1,225 a semester.

The repercussions in human terms will be disastrous. What I am talking about is increase in the crime rate in New York City. I am talking about more people becoming dependent on the State, now no longer able to fend for themselves. I am talking about homelessness, I am talking about losing some of the best minds that we potentially have in the next couple of years.

And I am talking about crack. OK. I am talking about this drug that seems to plague our cities. And the kid who can't attend college has to find other ways of surviving. And the guy who walks up to me in school and says, "Gee, man, I can't go to school next semester," and I ask him why, and he says, "Oh, $125, I can't afford it." "What are you doing now?" "Oh, I'm just selling a nick or a dime on the street corner." That's what I am talking about in human terms.

So, for the people who are thinking that they're immune to it and let's just impose these additional barriers and limit access to education will be the same people who have to walk the streets at night, the same people who have to watch out for their cars, the same people who have to worry about their children walking the streets. That's what we're talking about.

So I am very glad you asked that question, and that is my response. [Applause.]

Ms. JENKINS. Well, what can I say?

Senator WELLSTONE. I'm sorry. [Laughter.]

Ms. JENKINS. I think Jean really said everything there is to say. I mean, in terms of looking at the consequences, I mean the consequences are quite relevant right now. They can only get worse. And in terms of as a Nation developing to meet other nations in technology and things such as that, we are fast slipping, and education is the key to so many issues. It's not just about going to school so you can make more money for yourself, it's tied into so many other social and economic issues which he described. Homelessness, crime, that's what we're getting into.

I think he basically said it, and I wanted to reiterate what he said.

Senator WELLSTONE. Let me not ask any more questions but just make very, very brief comments and not at all to be condescending but out of a spirit of a lot of mutual respect because, like everybody

on this panel, I have a tremendous amount of respect for what you have said today.

First of all, I hope that you will continue to move forward with your sense of moral indignation. Don't lose it.

Second of all, I will go back to a question that Senator Simon raised which I thought was an excellent question and just something for the organization to think about. The last thing that I want to see is for what has been a powerful claim that you have made having to do with students and Pell grants and aid and work/study and everything else, being played off against other powerful claims for health care or for housing or for nutrition programs for younger people for whom, you know, starting with Senator Dodd, so much work has been done.

I hope that you will figure out a way, as you go forward to deal with that question, so that a lot of people who are struggling don't get pitted against one another, so that groups don't get pitted against one another.

So I think that question of where the revenue comes from and perhaps taking a look at that "T" question, that tax question, and some progressivity applied to the income tax code in the United States may be something that the organization will give some real serious attention to.

Thank you very much.

Senator DODD. Thank you very much, Senator Wellstone. [Applause.]

Let me again thank all of you. I would be remiss if I didn't point her out, and obviously she is no stranger to any of you here. But why don't you stand up, Selena Dong. [Applause.]

Selena, of course, as everyone in this room knows who is a member of USSA, is the president of this organization. She did a great job in pulling together a good crowd here with some excellent testimony, as you have heard from my colleagues from both the House and the Senate, in talking about some of the important points that need to be addressed as we move forward on the reauthorization of the Higher Education Act.

Certainly in the case of Senator Pell, if he were here, in effect, you would be preaching to the choir, as we say, in that he has been a strong advocate and supporter his entire career, going back 30 years in this body, for education. Senator Simon, of course, many of you know for his work in a number of these areas. Again, in the case of Congressman Ford, these are the champions. These are the people who were there and understand these programs and want to really make them work.

Our job, your job, as has been stated eloquently, is to see to it that we educate others as to the importance of these efforts and to broaden the base so that the people who may not be the direct recipients, but businesses, industry, the communities at large, understand how important these issues are. You have taken a giant step forward with your presence here today and your testimony today to increasing the educational awareness of the importance of these questions.

So, as the Chair of this particular hearing, I want to thank you all for taking time away from your studies and whatever else and to come down here to be a part of this and, of course, the particu-

lar witnesses who have been extremely eloquent in presenting the testimony here this morning.

Selena, did you have something you wanted to say?

Ms. DONG. Just for the record, I would like you to be introduced to my boss, Julius Davis, the president of the U.S. Student Association. I am a lobbyist. [Applause.]

Senator DODD. Selena gave me the note saying she was president. [Laughter.] I know how to cause trouble, don't I?

Thank you all very much. This committee will stand adjourned until further call of the Chair.

[Whereupon, at 12:35 p.m., the joint hearing was adjourned, subject to further call of the Chair.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT: U.S. STUDENT ASSOCIATION

MONDAY, APRIL 15, 1991

U.S. SENATE,
SUBCOMMITTEE ON EDUCATION, ARTS AND THE HUMANITIES,
OF THE COMMITTEE ON LABOR AND HUMAN RESOURCES,
AND, UNITED STATES HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON POSTSECONDARY EDUCATION,
OF THE COMMITTEE ON EDUCATION AND LABOR,
Providence, RI.

The joint subcommittees convened, pursuant to notice, at 9:05 a.m., in the Reading Room, John Hay Library, Brown University, Providence, RI, Senator Claiborne Pell, presiding.

Present: Senator Pell.

Also present: Representatives Reed and Lowey.

OPENING STATEMENT IF SENATOR PELL

Senator PELL. The joint hearing of the Subcommittee of Education, Arts and Humanities of the Senate, and the Subcommittee on Postsecondary Education of the House Education and Labor Committee will come to order.

This marks our second joint hearing with the House and I am particularly pleased this will take place in Rhode Island, and I'm very pleased, too, that my co-chair today is Congressman Jack Reed, who is a member of the House Postsecondary Education Subcommittee.

I look forward with considerable eagerness to work with Congressman Reed in the months ahead to make sure the Higher Education Reauthorization Bill that we put together meets the needs of Rhode Island families, students and our institutions of higher education.

I also would very much indeed like to welcome the participation of Congresswoman Nita Lowey from New York. Mrs. Lowey represents the Congressional District that has considerable ties to my family, and I am particularly glad that she could be with us this morning.

I would add that Senator Chafee and Representative Machtley were also cordially invited and have been nice enough to sends representatives here. This is the ninth Senate subcommittee hearing on the reauthorization of the Higher Education Act. Our focus today will be on the educational pipeline, and how we can bring minorities and at risk students, be they young or adult, men or

woman, into the education main stream and keep them there through college and even graduate school.

The need for a pipeline of assistance is overwhelming. We live in a Nation where minorities comprise an ever greater percentage of our total population. Yet, fewer go to college, fewer graduate and even fewer pursue a graduate education.

Take the teaching profession as an example, 5 years ago, minorities made up about 30 percent of the population of our Nation's public schools, and 10 percent of the teaching force. Next year, they will comprise 50 percent of the population of the public schools and only five percent of the teaching force. Thus we can see that instead of bringing minorities and the disadvantaged into the educational main stream, we are doing exactly the opposite. Without doubt, this is a move in the wrong direction.

I'm hopeful that we look this morning, not only at the valuable help provided by the TRIO programs, but also the need to strengthen and expand the Pell Grant Program. This program, and not the loan program, should be the primary source of student aid for needy, deserving students. We should not require those most at risk to borrow, because they are the least able to repay their loans and most likely to default.

We must make no mistake we face a difficult task. Ten years ago the Pell Grant covered 41 percent of the cost of college education. Today it meets only 26 percent of these costs. Where student aid packages was only three-quarters grants, one-quarter loans, today it's over two-thirds loans and only one-third grants.

Further, we must address the needs of hard pressed, middle income families. In my view we must reinstitute the Middle Income Student Assistance Act which we had passed in 1978, but unfortunately has been all but obliterated over the past decade. Middle income families find their children ineligible for grants or often ineligible for loans as well. Yet, at the same time, they are finding it increasingly hard to pay for their children's education. No longer can we turn a deaf ear and I'm committed to address their concerns in this reauthorization. We must commit ourselves to making sure that the Higher Education Act is once again the engine for educational opportunity and access at the post secondary level. That is our mission, plain and simple.

Now, I would ask my fellow host, Congressman Reed, for his statement.

Opening Statement of Representative Reed

Mr. Reed. Thank you, Senator Pell. I just want to say how honored I am to chair this joint hearing with you. Senator Pell has been the vanguard of educational policy for the last 30 years and has an extraordinary record of achievement. Each and every family in Rhode Island and the Nation has been touched by his efforts to expand educational opportunity. In fact, many people think the term "Pell Grants" refers to any form of student aid. It's a tough act to follow, but I hope I can help you expand these important programs. I also want to welcome my colleague and friend, Congresswoman Nita Lowey of New York. Nita is a distinguished member of the House, Education and Labor Committee and has

juggled her schedule to join us today, and I personally appreciate her kindness and rest assured we have one of the most distinguished members of the Education and Labor Committee with us today to bring back the message from Rhode Island.

I want to thank Brown University for their gracious hospitality. As I told everyone as we came in, they always have coffee and danish for the students in the library each morning, but also the other things they do are also very good. I want to thank all the witnesses for coming today to share their expertise and their understanding of this critical issue.

By the year 2000, most jobs in the United States will require some form of postsecondary education. A skilled, well-educated work force is absolutely essential to our Nation's well-being. If we want to compete globally, we must invest in education. It won't do any good to outspend the European community on the space shuttle programs if our students don't have the basic skills they need to work for NASA.

Expanding access to higher education is particularly important in Rhode Island, where our colleges and universities play such a vital role in the region and the State's economy. Unfortunately, as a country, we continue to retreat from the promise of providing equal education opportunity to all of our citizens. Less than two percent of the Federal budget is devoted to education. Appropriations for student aid have not only not kept pace with inflation but have lagged even further behind the 135 percent increase in college tuitions we saw taking place during the 1980's.

The majority of our work force will soon be made up of women and minorities, the very students we are losing from the educational pipeline. We must expand and improve the programs that keep these students in college and in graduate school. As college costs continue to climb, up to and beyond the average citizen's annually income, it is clear that all but the wealthiest families need help in financing their children's education. These families expect the government to be their partner with Pell Grants, and low-interest student loans. Yet, students from middle income, working families, are now finding that they are not eligible for Federal aid. For those that do get aid, the grants are often too small to make a real difference or more likely now the balance of aid has shifted to loans and creates an incredible burden of debt.

Today, I hope that we can examine some solutions to these critical problems. It is important for those of us who are committed to higher education to do all we can to make sure that the Federal Government does not retreat from its commitment. The worst nightmare I have of our society is creating a world a few years from now in which we have smart bombs but dumb kids. Young people are our best resource. If we shortchange their education, we shortchange our own future, thank you.

Senator PELL. Thank you very much indeed, dear colleague. I now turn to Congresswoman Lowey. I thank you so much for coming up and changing your schedule to be able to be us.

OPENING STATEMENT OF REPRESENTATIVE LOWEY

Ms. LOWEY. Thank you, Senator Pell, and my distinguished colleague, Jack Reed. It's truly an honor for me to be here in this beautiful university of world renowned fame. It's particularly an honor for me to be sitting next to Senator Pell, whose certainly record in this area is known throughout the world and I look forward to working with you, Senator Pell as we reauthorize the Higher Education Act and my colleague, Jack Reed, who is a shining star on the Committee, who has already made his mark.

This is going to be a challenging year. This is a critical piece of education. We have an opportunity to make major changes in the reauthorization process and I look forward to working closely with you. Certainly in my district, Westchester County, which is very varied, we have people of all income groups, we have some of the most wealthy professionals in the world and yet we have 5,000 homeless. We have youngsters who are in dire need of assistance in moving on to get their college education. This bill is of vital significance. In fact, just last week in talking to several constituents at a community meeting, one constituent just went on, talking a mile a minute, and you could just see how desperate he was. His wife was being laid off at Sacks Fifth Avenue, his employer was cutting off his health benefits, and then he said to me, "I have three children. How am I ever going to pay for their college education?"

At a similar meeting, a woman with six children, a minority woman with six children was telling me that she put her six children through college and yet when they got there, her problem was how do I pay for that $150 book. People are just forcing themselves to put every nickel they have to give their youngsters this education and they are being caught in the vice. They are feeling strangled, and it's our obligation if we are really going to build a work force, if we are really going to move forward into the 21st Century, it's our obligation to ensure that these youngsters have an opportunity to reach their potential and certainly the college education is among our highest priorities.

As we reauthorize the bill, I'm particularly interested in several areas of it. Student loans, certainly has been discussed. Other areas we are going to be focussing on is teacher core. How do we get our best and brightest to go into the teaching profession. How do we encourage more women to get into math and science? Certainly as a result of the Persian Gulf War, we saw the results of women, 27,000 women who were doing their part participating in every branch of the services, certainly, showing that they could master the technology and I think that will be part of our responsibility as we reauthorize the Act.

So that it is a major opportunity and I'm delighted to be here. I look forward to hearing the testimony and to working closely with my distinguished colleagues from Rhode Island as we move forward in the authorization process.

Thank you, very much.

Senator PELL. Thank you very much, Mrs. Lowey, and we have a number of congressional staff that I would like to recognize. Maureen Long, is here representing my counterpart on the House side, Bill Ford, the Chairman of the Education and Labor Committee,

right behind me. Then we have Jill Marie St. Martin, representing the rank of Republican in that committee, Bill Goodman. Thank you for being with us. And also welcome Gina Cacciati, here from Ron Machtley's office.

So I thank you all very much indeed for being with us and I would now express our thanks and gratitude to Dr. Rothman, the Provost of Brown.

STATEMENT OF MR. FRANK ROTHMAN, PROVOST, BROWN UNIVERSITY

Mr. ROTHMAN. Good morning, Senator Pell, Congressman Reed and Congresswoman Lowey and members of the panel. I am delighted that you have chosen Brown University as the site for this hearing and welcome you warmly on behalf of President Vartan Gregorian, the faculty, its students and the staff. Brown University, founded in 1764, is the seventh oldest institution of higher education in the United States. Throughout its long history, it has endeavored to provide an education of high quality to its students. We consider ourselves to be a university college, for instruction at both undergraduate and graduate levels involves the students in a collaborative fashion in the scholarly activities of the distinguished faculty. This type of education is not only geared to having students become well informed citizens, capable of leading productive lives and exercising informed judgment, but often prepares students for leadership positions in academic life, professions, business, or the public sector. Among many alumni who have excelled in the arena of public service, I might mention just two. John Hay, of the class of 1858, for whom this building in which we are meeting is named, was one of Abraham Lincoln's private secretaries during the Civil War, and after service in the Diplomatic Corp, served as the Secretary of State under Presidents William McKinley and Theodore Roosevelt. Charles Evans Hughes of the class of 1881 served as Chief Justice of the United States from 1930 to 1941.

In the second half of this century, Brown's ability to fulfill its educational missions of teaching and learning through scholarship ship has depended crucially on its partnership with the Federal Government. The Higher Education Act, which the reauthorization is the subject of this hearing, is a major vehicle for implementing this partnership. Brown University has derived benefit from many programs encompassed by the twelve titles of the Act, including assistance for undergraduate, graduate and medical students, postsecondary improvement and library and information technology enhancements.

You are receiving detailed testimony concerning many of these areas from representatives of the major educational association whose task forces and committees have carefully studied the content and delivery of the programs of the Act. In my brief remarks this morning, I shall single out two topics of particular concern at Brown, participation by under-represented minority groups and women and adequate facilities.

In order for Brown and similar institutions to make a maximum contribution to American higher education, the student bodies must continue to include increasing numbers of students from

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under-represented minorities and women, at the graduate as well as the undergraduate levels. Later this morning, my colleague, Professor Eleanor McMahon will review for you the data on the American work worse with respect to women and minorities in the 1990's and beyond. Since Professor McMahon will primarily address the representation of women, I shall focus on under-represented minorities.

Early in the next century, one third of all college age students in the United States will be members of minority groups. Of the major subpopulations, Blacks, Hispanics and Asians, the first two are significantly under-represented in 4-year colleges and undergraduate programs. It is imperative for the country to be able to draw on the vast pool of talent present in these youngsters. At the graduate level, which is essential for the preparation of our future leaders, this goal can be met through expansion and modification of several of the title IX fellowship and traineeship programs.

By increasing the authorization level for the Department of Education's undergraduate internship program, under Grants to Institutions to Encourage Minority Participation in Graduate Education Title IX–A, which is a proven model for increasing minority graduate enrollment to summer research internships and additional educational enrichment programs. Brown has made institutional arrangements with several historically black colleges to enhance cooperation along these lines.

By increasing the authorization for the Patricia Roberts Harris Graduate Fellowships, Title IX–B, to a level commensurate with its proposed role as the primary Federal program supporting minorities and women pursuing graduate careers.

These initiatives, which specifically ad dress minority groups, continue to be closely coordinated with the other title IX programs, Graduate Assistance in Areas of National Need under title IX–D and the Jacob K. Javits Fellows Program under title IX–C, which addresses study in the humanities, where faculty shortages are projected to be especially acute. Graduate science education is also sponsored by other Federal agencies, including the National Science Foundation, the National Institutes of Health, National Aeronautics and Space Administration, and the Department of Defense, Energy and Agriculture. The title IX programs can enhance these other Federally sponsored programs by contributing to the diversity and quality of future faculty.

Let me now turn to another area of concern, that of academic facilities. It is not surprising that the delivery of quality graduate programs requires appropriate facilities for advanced study. In the sciences, this primary involves laboratory space and equipment. In the humanities and social sciences, specialized library collections, such as the one that's housed here at the John Hay Library, and in all fields it increasingly involves computer hardware and software for information retrieval and data and word processing.

It is well known that in times of financial difficulty, most universities have shortchanged building maintenance in favor of continuing programs. At Brown we have identified $75 million worth of deferred maintenance needs, of which $41 million was of high priority. We began addressing them in 1986 in a program spanning 15 to 20 years. But for modern science we also need modern buildings

which can accommodate new types of equipment. Restoration of grant funds and enhancement of low interest loan funds under title VII, Construction, Reconstruction and Renovation of Academic Facilities, will make a major contribution to future education in the Nation's universities.

Finally, I wish to point out the importance of maintaining title II-C funds for scholarly libraries. The benefits already received at the John Hay Library from this program extend far beyond its walls. We have used these funds to enter the holdings of this great library into a national computerized bibliographic data base. After the first year of this retrospective conversion, interlibrary loan requests have increased by 120 percent. It is likely that many of these came from individuals who never would have located the needed material were it not for the program made possible by title II-C.

In closing, I want to thank you and the members of your committees for your continuing support of higher education and for providing this opportunity to share my views with you. Although I immigrated to this country over 50 years ago from Hungary, I have not lost my appreciation for the participatory process which informs the legislature of this great country. Thank you.

[The prepared statement of Mr. Rothman follows:]

Prepared Statement of Mr. Rothman

Good morning Senator Pell, Congressman Reed, and members of the panel. I am delighted that you have chosen Brown University as the site for this hearing, and welcome you warmly on behalf of President Vartan Gregorian, the faculty, the students and the staff. Brown University, founded in 1764, is the seventh oldest institution of higher education in the United States. Throughout its long history, it has endeavored to provide an education of high quality to its students. We consider ourselves to be a university-college, where instruction at both undergraduate and graduate levels involves the students in a collaborative fashion in the scholarly activities of a distinguished faculty. This type of education is not only geared to having students become well informed citizens capable of leading productive lives and exercising informed judgment, but often prepares students for leadership positions in academic life, the professions, business, or the public sector. Among many alumni who have excelled in the arena of public service, I might mention just two: John Hay, of the class of 1858, for whom the building in which we are meeting is named, was one of Abraham Lincoln's private secretaries during the Civil War, and after service in the diplomatic corps, served as Secretary of State under Presidents William McKinley and Theodore Roosevelt; and Charles Evans Hughes, of the Class of 1881, who served as Chief Justice of the United States from 1930 through 1941.

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In order for Brown and similar institutions to make a maximum contribution to American higher education, their student bodies must continue to include increasing numbers of students from underrepresented minorities and women at the graduate as well as the undergraduate levels. Later this morning, my colleague Professor Eleanor McMahon, will review for you the data on the American workforce with

respect to women and minorities in the 19905 and beyond. Since Professor McMahon will primarily address the representation of women, I shall focus on underrepresented minorities. Early in the next century one third of all college-age students in the United States will be members of minority groups. Of the major subpopulations of Blacks, Hispanics, and Asians, the first two are significantly underrepresented in 4-year colleges and in graduate programs. It is imperative for the country to be able to draw on the vast pool of talent present in these youngsters. At the graduate level, which is essential for the preparation of our future leaders, this goal can be met through expansion and modification of several of the title IX fellowship and traineeship programs:

1. By increasing the authorization level for the Department of Education's undergraduate internship program (Grants to Institutions to Encourage Minority Participation in Graduate Education, Title IX- A), which is a proven model for increasing minority graduate enrollment through summer research internships and additional educational enrichment programs. Brown has made institutional arrangements with several historically black colleges to enhance cooperation along these lines.

2. By increasing the authorization for the Patricia Roberts Harris Graduate Fellowships (Title IX-B) to a level commensurate with its proposed role as the primary Federal program supporting minorities and women pursuing graduate careers.

These initiatives which specifically address minority groups should continue to be closely coordinated with the other title IX programs, Graduate Assistance in Areas of National Need (Title IX-D) and the Jacob K. Javits Fellows Program (Title IX-C) which addresses study in the humanities, where faculty shortages are projected to be especially acute. Graduate science education is also sponsored by other Federal agencies including the National Science Foundation, the National Institutes of Health, the National Aeronautics and Space Administration and the Departments of Defense, Energy, and Agriculture. The title IX programs can enhance these other federally sponsored programs by contributing to the diversity and quality of future faculty.

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Senator PELL. Thank you very much, indeed, Dr. Rothman for your words of welcome and comments on the Higher Education Act at Brown, and I am particularly pleased to know that title II-C support for research libraries has made such a specific and, significant contribution to the John Hay Library and I would like to see this program continue. I will now turn to my fellow host, Congressman Reed.

Mr. REED. I, too, want to thank you, Dr. Rothman, for your testimony and also for pointing out the need to continue these important minority programs in title IX–C and title IX overall and also, again, I echo Senator Pell's comments about the value of support in the Federal level for libraries which can connect not only the student body at one institution but schools of higher education throughout United States, so thank you for your testimony.

Senator PELL. Thank you very much.

Congresswoman Lowey.

Ms. LOWEY. I've delighted to add my thanks to you, too, and I'm particularly interested in hearing the testimony of your colleague in regard to the under-representation of women and minorities. This clearly is an issue that we have to meet head on in order to ad dress the serious problem and I thank you very much for being here today.

Senator PELL. Thank you, and thank you for your hospitality.

We now come to the first panel, Dr. Americo Petrocelli and Mrs. Brenda Dann-Messier.

STATEMENTS OF DR. AMERICO W. PETROCELLI, COMMISSIONER OF EDUCATION, PROVIDENCE, RI; AND BRENDA DANN-MESSIER, DIRECTOR, RHODE ISLAND OPPORTUNITY CENTER, PROVIDENCE, RI

Mr. PETROCELLI. Senator Pell, Congressman Reed, Congresswoman Lowey, speakers, ladies and gentlemen, it is a pleasure to be invited to testify at this hearing and to express our views on the crucial issues of the reauthorization of the Higher Education Act.

Several goals for Federal support have remained unchanged over the years, with accessibility and quality being the major ones. In fact, the first and paramount goal of the Federal education policy was to enable low income students to go to college. Many of these students will be the first in their families to do so. The establishment of entitlement grants to needy students was the hallmark of the original legislation.

In Rhode Island, of course, we are proud of the fact that this grant program bears of the name of our distinguished Senior Senator, Senator Pell, who was instrumental in shaping the Federal policy. Recently, a new goal has been added, the need to enhance the economic competitiveness of the Nation has he merged as a contender for primary status as a national goal, and underlining or underpinning that is the need to develop the human potential represented by every child in this country.

I submit that t he long standing goals of accessibility and quality, along with the goal of economic competitiveness, are two sides of the same coin. We cannot sustain our system of higher education in this country when the educational pipeline, as has been referred to by Senator Pell, is increasingly being filled with economically disadvantaged children. As we sit here today, 62 percent of the children in our capital city are on a free lunch; 32 percent throughout the State.

In my remarks this morning, since time is limited, I would like to focus on two points that I believe are worthy of serious consideration for inclusion in the revised Higher Education Act. These

points are directly linked to promoting the access, quality and economic impact of higher education, two sides of the same coin. By selecting these two, I am not dismissing many other issues relevant to reauthorization about which we also have concerns.

Currently we working on position papers that will address many more of these issues and they will be forwarded to you as soon as they are ready. Today, I will speak on the two selected points. One, the increasing need to expand the role of higher educational systems and earlier dimension programs, and two, concern for students on welfare.

We only do this every 5 years, we affect a whole generation of students, so if we don't do it with grade wisdom, we will look back and wonder what we've accomplished. We already know what works, that is, to help economically disadvantaged students. We already know what works in using higher education as an agent to tune low income students and their families into the importance of continuing an education.

Programs such as "I Have a Dream" approach, the TRIO programs which Brenda will be alluding us to. State supported programs like our own special Talent Development Program at the University of Rhode Island, are well tested models with excellent records of success. The models have proven that all that is needed is the will for large scale implementation.

Incidentally, there was an article in the Globe a couple of days ago describing the almost horrific competition for students. The message ought to go out that if you are lucky enough to get a student that comes out of a TRIO program or SPTD, the graduation rate is about 76 percent in 4 years, compared to about 48 percent for the rest of us. So if you really want to get a student that stays with you, that's also a good place to go.

We believe the Higher Education Act should include as a new provision, contribution by the Federal Government to States seeking to build sound, early intervention programs, higher education statement for disadvantaged youth, economically disadvantaged youth. Such contributions can be justified as a preventive measure by making payments in advance, the Federal Government can save enormous expenditures in welfare, incarceration and medical costs at a later point in these children's lives.

If We do this right now, and when we sit again in 5 years, we will not sit with what we sit with today, that the largest rate of growth in any of our institutions has been in prison and in the social welfare programs and case loads for the poor. It is recommended that the Federal Government make available annually a sufficient amount of money on a competitive basis for the States establishing endowment funds and academic support programs for prospective low income post secondary students.

With regard to students on welfare, in addition to at risk youth, this is another group of individuals who should not be overlooked in the reauthorization process. This group is the most needy in the Nation, those on welfare. The only real opportunity these people have to better their lives in America and those of their children, is to obtain the education, training needed to secure a decent job. Currently, over 97 percent of the primary heads of households on welfare in Rhode Island are women. In order to continue to receive

their support payments, these women are required under the Federal Family Support Act of 1988 to seek additional education by completing high school and entering into postsecondary programs. A most intelligent requirement.

The overall system of student financial aid, including needs analysis and delivery, is burdensome and complex, when combined with State and Federal requirements for welfare programs, it becomes mind boggling. Both financial aid counselors and welfare case load workers easily become confused by the overlapping requirement and this confusion is often passed on to the student/client.

The Higher Education Act should include a provision to simplify the current needs analysis system for persons receiving direct a id for the economically needy. The amount of aid should be increased rather than diminished by being part of both the student financial aid program and the welfare program. There also should be a more manageable and supportive process for those who receive both types of aid.

In addition, if student/clients are poor enough to receive welfare, for goodness sakes, they should need no other evidence to qualify for the maximum Pell scholarship than to prove their welfare status. At least one set of complicated forms, those applying for Federal student financial a id would be eliminated for those students, simple enough process.

Before ending and leaving the topic of welfare recipients within higher education, I feel compelled to argue for adequate Federal funding to provide scholarship assistance for the most needy students. I know that you are well familiar with the numbers, that the amount of loan and debt incurred by New Englanders and by Rhode Islanders in the last 5 years has risen astronomically. There's been over a 17 percent increase, while the Nation as a whole has seen a very small percentage increase in that category. We are borrowing more in Rhode Island and more in New England to get our educations. You certainly cannot expect that burden to be laid on the economically disadvantaged. As Senator Pell said, for no other reasons, they are the worst risk at that point for the loan.

Given the time, and given those few comments, we urge that you consider these elements of the Reauthorization Act. We must look back and see progress in this area in 5 to 10 years. There's great talk about the terrible economic State that we are in and we are and the price education is paying to support that. And not every social or government program has suffered financial support. Education has, because that's always future, but the current programs, prison support in this State has gone up 18 percent, the new Intake Center is filled. There are more black prisoners in our prison than there are in our public colleges, and the public colleges are designed, in this State as they are in every other State, to provide education for those who otherwise could not afford it.

With that as a background, with this opportunity for reauthorization, building on what the Pell Grants are able to do, can we imagine what State we would be in without them. Just picture those thousands and thousands of students unable to compete and that's what's ahead of us now, Senator.

[The prepared statement of Mr. Petrocelli follows:]

PREPARED STATEMENT OF MR. PETROCELLI

Senator Pell, Congressman Reed, invited speakers, and ladies and gentlemen: It is a pleasure to be invited to testify at this hearing and to express my views on the crucial issue of the reauthorization of the Higher Education Act.

Every 5 years when faced with the task of reauthorizing the major piece of legislation that supports programs at the postsecondary level, the Federal Government must rethink its priorities. The decisions that are made, twice each decade, affect an entire generation of students. As we are all aware, it is imperative that wisdom and good judgment be exercised in making these decisions.

The reauthorization process offers the Federal Government the opportunity to clearly articulate Federal policy for higher education. Several goals for Federal support have remained unchanged over the years with accessibility and quality being the major ones. In fact, the first and paramount goal of Federal education policy is to enable low-income students to go to college—many of these students will be the first in their families to do so. The establishment of entitlement grants to needy students was the hallmark of the original legislation. In Rhode Island, we are proud of the fact that this grant program bears the name of our distinguished senior senator (Senator Pell) who was instrumental in shaping the Federal policy. Recently, a new goal has been added. The need to enhance the economic competitiveness of the Nation has emerged as a contender for primary status as a national goal.

In my remarks this morning, since time is limited, I would like to focus on two points that I believe are worthy of serious consideration for inclusion in the revised Higher Education Act. These points are directly linked to promoting the access, quality and economic impact of higher education. By selecting these two, I am not dismissing many other issues relevant to reauthorization about which we also have concerns. Currently we are working on a position paper that will address many more of these issues, and that paper will be forwarded to you as soon as it is ready. But today I will speak only on the two selected points.

In many respects, the higher education community in the past has been isolated from the mainstream of American life. The "ivy-covered walls" metaphor, which conjures up pictures of remoteness and inaccessibility, served to illustrate the perceived distance that once existed between higher education and the community as a whole. As the number of students who were traditionally thought to be college material has dropped and as the need for higher-skilled labor has increased, higher education has begun to emerge from its isolated State. Increasingly it is important, both for humanitarian and economic reasons, for higher education to reach out more actively in order to help all potential students enter and progress through the system. It is two of these outreach efforts that I would like to spend my time talking about today.

EARLY INTERVENTION PROGRAMS

At-risk children, who do not receive some form of intervention early in their educational careers, are much more likely to drop out of school and not to pursue gainful education or employment opportunities than are students from more affluent backgrounds. A recent study by the American College Testing Program * illustrates the relationship between educational attainment and family income.

* Source: Thomas G. Mortenson and Zhijun Wu, High School Graduation and College Participation of Young Adults by Family Income Backgrounds: 1970–1989, American College Testing Student Financial Aid Research Report Series: 90–3, September 1990.

The probabilities of a child completing a bachelor's program before the age of 24 years are:

Completing a Bachelor's Program

Annual Family Income Level	Probability of a B.A. by Age 24
$0 to $20,000	6 Percent
$20,000 to $38,000	12 Percent
$38,000 to $58,000	27 Percent
Over $58,000	55 Percent

As we know, there is also a strong relationship between educational attainment and anticipated lifetime earnings. Putting the two probabilities together shows, which is no surprise to any of us, that children born into affluence have a greater probability of obtaining and holding higher paying jobs than do children from disadvantaged backgrounds.

Programs that comprehensively address the needs of low-income children throughout their educational careers offer promise of considerable financial rewards to these students, the State, and the Nation. We already know what works in using higher education as an agent to tune low-income students and their families into the importance of continuing in education. Programs such as the "I Have a Dream" approach, the TRIO programs, and State supported programs, like our own Special Talent Development Program at the University of Rhode Island, are well-tested models with excellent records of success. The models are proven; all that is needed is large scale implementation.

In the reauthorization of the Higher Education Act, the possibility of including provisions for the Federal Government to support State and local efforts at early intervention could be a powerful tool. By including early intervention as the priority, the Federal Government can provide both the philosophical and financial support so necessary to helping make these programs happen.

In Rhode Island we are initiating a statewide, inclusive early intervention program known as the Children's Crusade for Higher Education. This program combines both academic motivation and financial incentives for economically-disadvantaged students into a single comprehensive program. In addition, the program includes a creative funding mechanism for building an endowment which, in effect, serves as a long-term investment made in these children by society as a whole. (See attached description of the Rhode Island Children's Crusade for Higher Education.)

We believe the Higher Education Act should include, as a new provision, contributions by the Federal Government to States seeking to build sound, early intervention programs for disadvantaged youth. Such contributions can be justified as a preventative measure; by making payments in advance, the Federal Government can save enormous expenditures in welfare, incarceration, and medical costs at a later point in these children's lives. It is recommended that the Federal Government make available annually $100 million on a competitive basis for States establishing endowment funds and academic support programs for prospective low-income postsecondary students.

Students on Welfare

In addition to at-risk youth, there is another group of individuals who should not be overlooked in the reauthorization process. This group is the most needy in the Nation: those on welfare. The only real opportunity these people have to better their lives, and those of their children, is to obtain the education or training needed to secure a decent paying job. Currently, over 97 percent of the primary heads of households on welfare in Rhode Island are women. In order to continue to receive their support payments, these women are required under the Federal Family Support Act of 1988 to seek additional education by completing high school and entering into postsecondary programs. The overall system of student financial aid, including needs analysis and delivery, is burdensome and complex; when combined with State and Federal requirements for welfare programs, it becomes mind-boggling. Both financial aid counselors and welfare caseworkers easily become confused by the overlapping requirements, and this confusion is often passed on to the student/client.

The Higher Education Act should include a provision to simplify the current needs analysis system for persons receiving direct aid for the economically needy. The amount of aid should be increased, rather than diminished, by being part of both the student financial aid program and the welfare system. There also should be a more manageable and supportive process for those who receive both types of aid. In addition, if students/clients are poor enough to receive welfare, they should need no other evidence to qualify for the maximum Pell scholarship than to prove their welfare status. At least one set of complicated forms, those for applying for Federal student financial aid, should be eliminated for these students.

Before leaving the topic of providing for welfare recipients within the higher education system, I feel compelled to argue for adequate Federal funding to provide scholarship assistance for the most needy students. I understand the concern of the middle-class for the rising costs of higher education and the concern for keeping choice in institutions open to these families; however, I consider initial access to higher education to be a much higher need. Other mechanisms, such as the creation

of Federal tax-free savings instruments and the availability of guaranteed student loans, can be utilized by middle-class students and their parents who wish to exercise choice as to which college to attend. These same instruments are not available to low-income students and their families. Consequently, the Federal Government, in combination with the States, must make this investment for these students. Both in the short-run and in the long-run, this investment is clearly a sound one to make.

CONCLUSION

Thank you for allowing me to place my views on record. I would be pleased to answer any questions that you may have regarding the points I have made, or other questions that you might wish to raise with me concerning the reauthorization of the Higher Education Act.

Senator PELL. Thank you very much, Dr. Petrocelli.

I would like to hear from Ms. Dann-Messier.

Ms. DANN-MESSIER. Thank you, good morning, Senator Pell, Congressman Reed, Congresswoman Lowey, members of the subcommittee, my name is Brenda Dann-Messier, director of the Rhode Island Education Opportunity Center which is sponsored by the Community College of Rhode Island. I am honored today to testify before this subcommittee to share with you my views on the reauthorization of the Higher Education Act.

The Rhode Island EOC is one of the 40 EOC's in the country designed to provide information about post secondary opportunity to low income adults. The EOC's, of course, are one of six programs funded under subpart 4, title IV of the Act, Special Programs for Students from Disadvantaged Back grounds, commonly referred to already today as the TRIO programs.

Among the 4,000 adults in Rhode Island EOC services annually, many first seek out our services while they are receiving public assistance or when they are unemployed. Our services are designed to enable each client to make informed choices among postsecondary institutions and programs, as well as to make informed choices about financing their enrollment.

We provide assistance in completing applications for college, as well as completing applications for the Pell Grant Program, and for other available assistance. In many cases we discourage our clients from taking out loans to begin their postsecondary education. In 1991, the 40 EOC's funded nationally will serve 112,000 individuals and the average cost per client of $125.

As a recent past president of the New England Association of the Educational Opportunity Program Personnel, I was very much involved with that Association's deliberations regarding reauthorization. After a series of hearings and meetings within New England, we joined with our TRIO colleagues across the country and developed the recommendations on the TRIO subpart submitted by the National Council of Educational Opportunity Association, NCEOA. I and my colleagues in New England are fully supportive of those recommendations and would like to highlight several principles imbedded in them during my testimony.

One of the TRIO programs, Talent Search, is presently authorized to work with students as early as seventh grade and, of course, Educational Opportunity Centers focus on out of school adults. Other TRIO programs, Upward Bound, Students Support Services, and Ronald E. McNair Post-Baccalaureate Achievement Program,

offer more intensive instructional and counseling services to students enrolled in high school or college.

The NCEOA recommendation would enable Talent Search Programs to begin working with students even earlier, in middle schools. This would also very importantly retain the EOC focus on adults. As you know, the Administration is recommending the elimination of three of the TRIO programs EOC, Talent Search and Upward Bound and their replacement by untried programs entitled Pre-college Outreach. In addition to what in my view is the lack of prudence involved in eliminating an established network of successful programs in favor of an untried model, a major problem with the Administration's Plan is a total disregard of the adult population.

Senator Pell, Congressman Reed, Congresswoman Lowey, you are well acquainted with the disturbing statistics on the enrollment of low-income and minority students in college. The August, 1990, Rand Corporation Report entitled "Post-secondary Enrollment of Minorities," highlights the fact that the most precipitous declines in enrollment have been among adults. For example, the traditional 18 to 24 year old age group, enrollment trends of black males have been very similar to those of white males. However, in the 25 to 34 age group, enrollment of minority males has consistently dropped since the mid 1970's. This is no time to eliminate educational opportunities, the only funded program in the Higher Education Act that has as its specific mission providing educational opportunity for low income adults.

Another principle which undergirds many of the NCEOA recommendations, including listing of permissible services for EOC's and Talent Search legislation, authorizing an ongoing evaluation of TRIO programs, for purposes of program improvement, establishing a base grant, moving to a 5-year grant cycle, is the intent to increase the consistency, reliability, and intensity of services we are able to offer to our clients.

Many low-income and first-generation students face barriers to educational attainment which would confound young people from traditional backgrounds. Lack of finances not only serves as a barrier to college admission but it complicates almost every aspect of everyday life; finding a safe residence, feeding one's children, moving from place to place and finding good child care.

Many times, for example, the family and friends ever EOC clients are able to provide information about support for their academic pursuits. The overburdened elementary and secondary schools they have attended have been unable to recognize and nurture their talents or to prepare them for rigorous academic programs. I have submitted with my testimony the recollections of several former clients of our EOC which describe some of the barriers they are required to overcome in order to graduate from college. They are not atypical.

I see the staffs of the TRIO programs as bearing heavy responsibility of supporting and serving as advocates for these students with colleges and universities as well as other institutions and agencies which are able to impact on their ability to succeed in college. Many times, for example, agencies, administering AFDC and food stamps create almost insurmountable obstacles to the success

of low income students. Many times the faculties and staffs of college are not prepared for or even knowledgeable about the needs and situations affecting low income students. The NCEOA recommendations are designed to increase the effectiveness of TRIO programs and meeting their responsibility to provide their clients a realistic opportunity to graduate from college.

One of the NCEOA recommendations would encourage coordination of programs funded under the TRIO subpart with State and private programs with disadvantaged students. Just as adequate student financial aid cannot be provided unless institutions, States and Federal Government view the provisions of this aid as a joint responsibility, and laws and regulations are written on that basis, the provision of nonfinancial support must also be seen as a joint responsibility. We in the TRIO program very much want to collaborate with and support other efforts to increase postsecondary opportunity such as the Children's Crusade here in Rhode Island.

I would hope, too, that your subcommittee could examine other programs authorized under the Act and encourage further coordinated Federal, State and institutional efforts on behalf of low income students. The public is fully aware of the financial problems and policy problems created by student loan defaults. What we in TRIO programs, especially Educational Opportunity Centers must deal with often on a daily basis are the human costs of imbalanced policy where grants are inadequately funded. I would especially encourage policies designed to encourage guarantee agencies to develop policies which enable students in default to continue to receive Federal student assistance in cases where such continued support is merited. Five States, Massachusetts being one, have adopted such policies which are extremely important to eventual academic success of low income students. Again, I deeply appreciate this opportunity to testify before you today and am pleased to answer any questions you might have.

Thank you very much.

[The prepared statement of Ms. Dann-Messier follows:]

PREPARED STATEMENT OF MS. DANN-MESSIER

Senator Pell, Members of the Subcommittee, my name is Brenda Dann-Messier and I direct the Rhode Island Educational Opportunity Center which is sponsored by Rhode Island Community College. I am honored today to testify before the subcommittee and to share with you my views on the reauthorization of the Higher Education Act.

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The Need for Services for Low-Income Individuals at All Stages of the Educational Pipe-line

One of the TRIO programs, Talent Search, is presently authorized to work with students as early as the seventh grade and, of course, Educational Opportunity Centers focus on out-of-school adults. Other TRIO programs—Upward Bound, Student Support Services, and the Ronald E. McNair Post-baccalaureate Achievement Program, offer more intensive instructional and counseling services to students enrolled in high school or college.

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Senator Pell, you are well acquainted with the disturbing statistics on the enrollment of low-income and minority students in college. The August 1990 Rand Corporation report, *Post-secondary Enrollment of Minorities*, highlights the fact that the most precipitous declines in enrollments have been among adults. For example, in the traditional 18–24 age group, enrollment trends of black males have been very similar to those of white males. However, in the 25–34 age group, enrollment of minority males has consistently dropped since the mid-seventies. This is no time to eliminate Educational Opportunity Centers, the only funded program in the Higher Education Act which has as it specific mission providing educational opportunities for low-income adults.

The Need to Assure that Services Provided to Low-income, First-Generation Students are Sustained and Comprehensive

Another principle which undergirds many of NCEOA recommendations—including listing of permissible services for EOC's and Talent Search in the legislation, authorizing an ongoing evaluation of the TRIO programs for purposes of program improvement, establishing a base grant, moving to a 5-year grant cycle—is the intent to increase the consistency, reliability and intensity of services we are able to offer to our clients.

Many low-income and first-generation students face barriers to educational attainment which would confound young people from traditional backgrounds. Lack of finances not only serves as a barrier to college admission but it complicates almost every aspect of everyday life; finding a safe residence, feeding one's dependents, moving from place to place, finding good child care.

Many times, for example, the families and friends of EOC clients are unable to provide information about or support for their academic pursuits. The overburdened elementary and secondary schools they have attended may have been unable to recognize and nurture their talents, or to prepare them for rigorous academic programs. I have submitted with my testimony the recollections of several former clients of our EOC which describe some of the barriers they were required to overcome in order to graduate from college. They are not atypical.

I see the staffs of the TRIO programs are bearing the heavy responsibility of supporting and serving as advocates for these students with colleges and universities as well as with other institutions and agencies which are able to impact on their ability to succeed in college. Many times, for example, agencies administering AFDC or Food Stamps create almost insurmountable obstacles to the success of low-income students. Many times the faculties and staffs of colleges are not prepared for or even knowledgeable about the needs and situations affecting low-income students. The NCEOA recommendations are designed to increase the effectiveness of TRIO

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programs in meeting their responsibility to provide their clients a realistic opportunity to graduate from college.

THE NEED FOR INSTITUTIONAL, STATE AND FEDERAL COOPERATION IN SERVING LOW-INCOME, FIRST-GENERATION STUDENTS

One of the NCEOA recommendations would encourage coordination of programs funded under the TRIO subpart with State and private programs for disadvantaged students. Just as adequate student financial aid cannot be provided unless institutions, States and the Federal Government view the provision of this aid as a joint responsibility, and laws and regulations are written on that basis, the provision of non-financial support must also be seen as a joint responsibility. We in the TRIO programs very much want to collaborate with and support other efforts to increase postsecondary opportunity such as the Children's Crusade here in Rhode Island.

I would hope, too, that your subcommittee could examine other programs authorized under the Act and encourage further coordinated Federal, State and institutional efforts on behalf of low-income students. The public is fully aware of the financial problems and created by student loan defaults. What we in TRIO programs, especially Educational Opportunity Centers must deal with—often on a daily basis—are the human costs of an imbalanced policy where grants are inadequately funded. I would especially encourage policies designed to encourage guarantee agencies to develop policies which enable students in default to continue to receive Federal student assistance in cases where such continued support is merited. Five States have adopted such policies which are extremely important to eventual academic success of low-income students.

Again, I deeply appreciate the opportunity to testify today and would be pleased to answer any questions you might have.

Senator PELL. Thank you very much indeed. In view of the fact that we have several panels, I will limit myself to 5 minutes, but first, I would like to commend Dr. Petrocelli on mentioning the question of incarcerated students. In my mind, one of the great mistakes of this generation is that right now, we have got more than one million creative young Americans, maybe creative the wrong way many times, but still creative, there in jail, behind bars. We have more on a percentage basis than any other Nation in the world, except for South Africa. I think this is the thing we should keep in the back of our mind, that we have this potential creativity that's being absolutely wasted. I have a practice of going to the ACI every so often and being frustrated at what should be being done for these young people, turning them in the right direction.

Last week, when Secretary Alexander testified, it was suggested by one of our colleagues that any person on AFDC be automatically eligible for Pell Grants. That's very much exactly along the same line that you suggested, and you would agree on that.

Along this line, I'm very much for a simplified current student aid application form. In fact, we are having a hearing on this matter on April 25 in Washington. We would welcome any written suggestions or any brief thoughts you might have right now, as to what we can do, because we really want to try to reduce the time necessary to complete the application form. I know I tried filling out a form and got frustrated.

Then, another thing that you are saying, during the last 10 years, we have had a serious decline in grant aid for poor students with an increased enrollment. What has been the effect for these students with whom you've come into contact when they find they have to have these heavy loans?

Dr. Petrocelli.

Mr. PETROCELLI. It is a very serious problem. We suffered as a result, I think in this part of country, in Rhode Island particularly,

because we had a little bit of parent prosperity, so that the nonliquid assets such as homes that show up, have driven people from grants to loans, and that is, I think, part of the dramatic increase of the loan capability. I'm hoping, we are all hoping that we stimulate ways to encourage people to save for the education of their children so that doesn't become a factor, and I know mechanisms will be introduced to do that. There are some excellent mechanisms now, like savings bonds and so on, but that's why many of us, particularly this panel, is focussing on the fact of a vast number of people who will not be able to avail themselves of those opportunities.

We sit in the State right now, I have got to repeat again, with 32 percent of the children in school are on free lunch. It means they don't get a meal if they don't go to school, and free lunch is not the definition of poverty yet, I mean, that's just the free lunch definition. So that if we are to look back, and we must begin to hold our hope and aspiration for these youngsters, very early in their life, because by the time they get to high school, they may have already dropped out one way or the other.

By the way, Senator, I wish I could remember the man's name, it's terrible, but I can't, but the Director of Corrections in the State of Indiana has a very chilling way to project his future needs. He counts the number of economically disadvantaged children in the third grade and he projects his need for cells. Actually, when you look at these third graders and you ask them their aspirations, one of them I talked to wanted to be a paleontologist, he told me. His chances, if he only knew, are better that he is going to end up in the ACI.

Senator PELL. As you know, of course, it costs more to send a man to the ACI than it does to one of the Ivy League colleges. Because we forget to build that cell, it can average out to around a hundred thousand dollars.

Ms. Dann-Messier.

Ms. DANN-MESSIER. Senator, I believe what it really does is eliminate student choice in being able to attend the institution of his choice based on what their needs are by having to rely heavily on student loans.

Senator PELL. Thank you, I turn to my co-chairman.

Mr. REED. Thank you, Senator. Dr. Petrocelli, you mentioned that you would like to see the Federal Government become more involved in those State endowment programs for children. Children's Crusade, for the record, can you briefly describe the Children's Crusade concept and where you are now?

Mr. PETROCELLI. Children's Crusade is building on the success of programs that are in place and should stay in place, TRIO programs and interacting in the 7th, 8th, 9th and 10th grade, and it's comprehensive. It involves every third grader in the State of Rhode Island, regardless of where they are, public, private, parochial schools, because it's an independent 501–C Corporation, and it enters into a contract with the child, their parent, guardian or significant others, they say, and they promise to stay in school, send their report card to the Crusade, cooperate with their mentors, avoid early parenting—Crusade does not use the word pregnancy, the boys have to learn they have something to do with it; stay on

the right side of the law. When they graduate from high school, and this is not a charity program, no one takes the exams for them, they will be made available to them a scholarship to any of our public institutions and to any of our independent institutions in the State. All the independent institutions have agreed to participate in the Crusade. They do that by making a contribution in kind or in money now, they only make the contribution once, an endowment form of program.

Also, it's comprehensive. The world needs a work ethic, needs a good, literate child or person, so that if you go into a freshman program, you will get support equivalent to going to the Community College. If you go to one of our proprietary schools, and in Rhode Island proprietary schools are quite well regulated, former Commissioner McMahon instituted excellent policies which the Board of Governors continues in regulating those schools, so we don't suffer generally the kind of problems and the image that one gets in that area. And that's the thrust. We signed up our first third grade class, third grade next year, current second graders, we have them presigned, over 2,000 signed up.

Mr. REED. Roger Clemons, and Wade Bogs?

Mr. PETROCELLI. Yes, they signed up, they signed the contract, a very interesting legal document that, but the point is they make the statement, the point is to make the connections that are necessary; that for aspiration there will be reward; for failure, in the words of Elizabeth Shaw, there will be a rotten outcome, and we are very clear on that.

Mr. REED. Just briefly, how would you see the Federal law, simply providing resources to some endowment to help fund the endowment?

Mr. PETROCELLI. Yes, I think that—we do not have any intention of starting another entitlement program. We deliberately designed the funding mechanisms based on return on investment, and the Federal Government gets a very good return on investment if we meet our goals in Rhode Island and that return on investment is worth an investment of between $3 and $5 million from the Federal Government.

Now, that's a novel approach to funding something. We are not going to be back next year, the year after, the year after that, but these third graders—by the way, did I tell you, every third grader for the next 10 years, the sun sets on the program in 26 years, and so we do ask for that consideration, that form of funding, to stimulate, do it, bring the partnership with the local level together, but part of that partnership has to be the State's. We are going to get money from proprietary schools, the independent schools, the foundations. The only two elements that continue to fund this program on an annual basis is the local State government, which has already established the necessary law passed unanimously in both the House and the Senate, and incidentally, you ought to be aware it was started under the former administration, but on inauguration day, in his speech, the governor expressed hope for the these poor children. You notice, though, Brenda and I didn't speak about minorities, we spoke about economically needy and depressed. It happens to include a majority in this State of blacks and Hispanics,

but the real denominator is economically disadvantaged and that's what this program is saying.

Mr. REED. Just one quick question. I think the thrust of your comments, Dr. Petrocelli, with respect to AFDC and how we've calculated for aid; two points, one I would again concur with Senator Pell in terms of sort of counting that AFDC person as being able to make the zero family contribution, and automatically qualify for Pell Grants, but the second thing I think you are suggesting that we really need to harmonize not only our Higher Education Act Legislation but also our basic welfare legislation at the Federal level, so that what we gain by liberalizing, or at least straightening out, in terms of higher education loan authority, we don't lose by becoming involved in the intricacies of Federal AFDC policies, is that a fair summary?

Mr. PETROCELLI. Absolutely, because in a nutshell, Representative Reed, the whole thrust of every argument we give you is the same. Move people from poverty and dependence to contribution, and the path of this country is through education. Once you do that, the amount of dollars that become available to help in many other areas of education become available. Instead of going to $50,000 a year maintaining somebody in prison, we can spend $50,000 extra a year to maintain this magnificent library, but the key is to move people that way, because we have entirely too many children in poverty and they are the future students, and along with them are their parents, so along comes a beautifully magnificent act that says, look, folks, are you welfare but you are going to show us you going to get your high school diploma and going to do a couple of years of college and let's encourage these people, let's not have an artificial outcome, because the bang for the buck is clearly there if you turn one of these families around.

Mr. REED. Thank you. You are joined with another distinguished co-panelist, Brenda Dann-Messier, who has done a lot for this community and personally contributed, to my knowledge, to the education policies and recently honored by the Rhode Island Chapter of Advancement of Colored People for her efforts and, Brenda, welcome. I will follow up and you may comment also on the questions I asked to Dr. Petrocelli. One concern I have, which I would like to raise with you, is you stated in your message about adult education falling by the wayside in some of the president's programs, another factor, sort of about adults working, I don't know if you want to comment upon this. Many of the people involved in the TRIO programs are young people who are working and at the same time going to school. In fact, their school experience and work experience come together and that I think distinguishes this group of young people, and as you point out adults, so if you want to comment on those points, I would be delighted.

Ms. DANN-MESSIER. Thank you Congressman Reed. I just wanted to talk a little bit about the AFDC population and some of the obstacles they currently confront and the tremendous need for intergovernmental cooperation. I know that you are aware that there are many AFDC recipient who, upon receiving their Pell Grant Award, receive a refund, then find them self getting a reduction in food stamps. They have to make a choice of whether to feed their children or go to school. There is no choice involved for them. That

shouldn't be. We are just discouraging a larger number of folks from going on to school and so I hope this subcommittee can certainly address that issue, because it's critical for the AFDC population not to have one more burden put in their way and, yes, sir, you are right, Congressman Reed, about the fact that our population do work. They need to out of economic necessity. That really underpins everything for our students and our clients and when possible, the adult population, that's not so easy because of child care and child care issues that have to be worked out. That's why they do it and we know that does hinder in some ways their educational training and preparation.

Mr. REED. Thank you.

Senator PELL. And Congresswoman Lowey.

Ms. LOWEY. Thank you, Senator. I'm particularly interested and, Ms. Dann-Messier, you were talking about the coordination of programs. I'm particularly interested in the public/private partnerships. As we all know we have a major deficit, not only in Washington certainly in my State of New York and many of the States around this Nation of ours, and I think it's more important that we coordinate the efforts. You were talking about some private programs and the coordination of those programs with the State programs and the TRIO. I wonder if you could expand for us the kinds of coordination that takes place, in particularly the private programs that are being utilized within this TRIO.

Ms. DANN-MESSIER. I can speak from the Educational Opportunity Center perspective. We work with the community and provide our services. We go right into community based organizations, private organizations, we go wherever the client is to provide services. So it's very important that we have those partnerships with the private and public institutions and agencies, because we have to reach the client where they are at, and in terms of public programs, I can give you an example of how you could work with the Children's Crusade for Higher Education in that we would work to facilitate and provide the mentoring. I have suggested to Commissioner Petrocelli that EOC clients could be mentors to the younger students. There is a role for all of us, and unfortunately there are many, many clients to be served and many, many students to be served and the way to do that is through partnerships, because of the lack of resources and it's not a difficult task. The reason I raise it in the legislation, though, is because the Department of Education discourages collaboration, particularly for TRIO programs, and I think that's a mistake.

Ms. LOWEY. What extent has the corporate sector and the private sector been involved in TRIO at all?

Ms. DANN-MESSIER. Minimally, and we are trying to increase that, but they have demands on them from everybody, so since our Federal support has been growing each year, I think that hasn't been a priority for us at this point. But of course we want to be part of that network. You can't do it alone. It's a problem for all of us to resolve together and work together.

Ms. LOWEY. Certainly Dr. Petrocelli referred to the I have a Dream. I happened to know Jeanne Lang for 30 years, who has been very successful with several programs within Westchester County, programs which are funded with I Have a Dream re-

sources. I wonder if you would comment on the involvement of the private sector and the corporate sector in these kinds of programs.

Mr. PETROCELLI. It is very common and popular to discuss building those kinds of partnership and seek in the Crusade and that's why we said you only make a donation once, this is one thing we must keep in mind. American industry is spending over $30 billion a year in remedial education to prepare a worker to be effective within their environment. That's the largest unlegislated education tax in the country. We all have got to do our jobs better so that money can go into the productive capacity of this country and not into the extended educational capacity, so keep in mind that American industry faces, the American business faces that underlying situation now.

Now, to involve them in a major way, in the partnership, it's very desirable, very wonderful, but they do have a right to say, why am I spending this $30 million. Can't we do this better before they graduate? Can't they be more literate? And that's why these outreach programs are beginning younger and younger, are so critical. Otherwise, can you imagine with $30 million going into benefits programs for new workers or productive capacity of the plants. There is a heavy involvement, both obvious and as I would like to point out, not so obvious, in this what I call the largest, nonlegislated education task in the country. Listen, I wish it were working, because on all sides we don't seem to be as competitive as we should be.

Ms. LOWEY. I thank you very much and I know that the committee is very interested in pursuing partnerships, and if we can intervene earlier, I think the best message to the corporation is they may save money later on, on the graduate level, and I would like to get them more involved in the elementary level, intervening early so we prepare these youngsters for a college education later on.

Thank you very much, Senator?

Senator PELL. Thank you very much indeed, Mrs. Dann-Messier, and you Dr. Petrocelli.

We now come to our second panel, Dr. John Salesses, vice president for Academic Affairs at Rhode Island College; Dr. Robert Silvestre, vice president for Academic Affairs, Community College of Rhode Island; Dr. Robert McKenna, president of the Rhode Island Independent Higher Education Association, accompanied by Mrs. Linda Martinelli; and Mr. Seth Kurn, executive vice president of New England Institute of Technology.

We can start off with Dr. John Salesses and welcome.

STATEMENTS OF DR. JOHN SALESSES, VICE PRESIDENT FOR ACADEMIC AFFAIRS, RHODE ISLAND COLLEGE, PROVIDENCE, RI; DR. ROBERT SILVESTRE, VICE PRESIDENT FOR ACADEMIC AFFAIRS, COMMUNITY COLLEGE OF RHODE ISLAND, WARWICK, RI; DR. ROBERT J. McKENNA, PRESIDENT, RHODE ISLAND INDEPENDENT HIGHER EDUCATION ASSOCIATION, PROVIDENCE, RI, ACCOMPANIED BY LINDA A. MARTINELLI, PARENT, CRANSTON, RI; AND SETH KURN, EXECUTIVE VICE PRESIDENT, NEW ENGLAND INSTITUTE OF TECHNOLOGY, WARWICK, RI

Mr. SALESSES. Good morning, Senator Pell, Congressman Reed, Congresswoman Lowey. Thank you for this opportunity to testify at the subcommittee's hearing leading to the reauthorization of the Higher Education Act. I'm particularly pleased to be able to describe for you briefly something about Rhode Island College and our students, and to talk about the implications of the Reauthorization Act upon our students and my recommendations, particularly in regard to those problems related to the preparation for college, as well as the success in higher education.

As you know, Rhode Island College is a public institution of higher education whose primary goal is to provide undergraduate programs in the arts and sciences and in professional and pre-professional fields. Rhode Island College is the college of opportunity and our student body is composed primarily of Rhode Islanders who live within 50 miles of the college and commute to class.

We support initiatives in the Reauthorization Act which will provide qualified students from diverse backgrounds assistance in accessing higher education. The changes that have taken place nationwide in the college student profile, and the continuing changes that are predicted, mean that our college population will be comprised of students from 18 to 80 who do not follow the traditional structured 2-year or 4-year degree cycles; who work to support themselves, their families and their education; who belong increasingly to minority groups for whom English is not the primary language spoken at home; who move in and out of education as their personal circumstances require, and who increasingly require additional support services to help them achieve their academic goals.

Four of the following recommendations speak to existing programs and my fifth recommendation addresses an urgent need which is to guaranty that more of our young people graduate from high school and become qualified to enter collegiate programs.

The first is in regard to grants versus loans. The relative share of Federal aid which is in the form of grants, has dropped to approximately one fourth of the total grant aid to our students. This is almost exactly the reverse of the ratio 10 years ago. Additionally, the purchasing power of the available grant dollars has been significantly eroded by rising college costs during the past decade. This cost trend will likely be even more dramatic in the next few years. Our students are now overly dependent upon loan aid and loans are being taken out by the most needy students and families. This is a particular problem for Rhode Island College families which for the most part are from the lower half of the income spectrum. We support increasing the maximum Pell Grant to restore

its purchasing power and similarly to increasing funding for the campus-based grants.

Second is in regard to simplifying the aid application process. Clearly the complexity of the financial aid application presents a deterrent, even a barrier, to most needy students and their families. Again, this is particularly true for Rhode Island College population. In this respect, we support Federal initiatives or incentives to colleges and States to improve early awareness activities in order to better inform, advise and assist students and families in the entire application and financial aid process.

Additionally, we favor a system which requires a student to complete only one, not numerous financial aid forms. However, we do not support an oversimplified data collection process which collects insufficient data to allow institutions to make an informed determination of need and which makes the institutions the responsible stewards of Federal, State or institutional dollars. A responsible compromise between complexity and oversimplification should be found.

A more realistic needs analysis is the third recommendation. Three aspects of this are particularly relevant to Rhode Island College students and their families. First, a clearer and more realistic definition of the independent student. Second, a more realistic treatment of home equity. Third, a more reasonable taxation rate on student earnings which is currently at 70 percent of their prior year's earnings, as well the formulation should be either taken out of the statute or if kept in, should have an annual update mechanism which other than requiring the passage of a technical amendment, which often seems to get neglected, due to other legislative imperatives.

Fourth, relief from over regulation. We propose that institutions which have demonstrated sound fiscal stewardship be relieved from unnecessarily complicated and burdensome regulatory requirements.

Fifth, early awareness and early intervention partnerships. We encourage new Federal initiatives to support collaborative programs among the State government, elementary and secondary and post secondary education, and the private sector to expand early awareness and early intervention programs. At Rhode Island College, we have two programs I would like to mention, the Upward Bound, which has just discussed, the TRIO program, our program is in its 25th year at the college, and the second is the PEP Program, or Student Support Services Program at Rhode Island College. Both of these are supported by the college as well as the Federal Government; both are directed to early intervention, and to help disadvantaged and minority students.

Here in the State of Rhode Island, as well, we have the Children's Crusade, which has been given great support from both private industry and the Federal State government could greatly assist in our early awareness and early intervention. We support initiatives which combine intervention as early as the third grade with tutoring, mentoring and other support services, as well as the development of endowment funds. I wish to thank the committee for the opportunity to address this important issue, and I would be pleased to answer questions at the appropriate time.

[The prepared statement of Mr. Salesses follows:]

PREPARED STATEMENT OF MR. SALESSES

Mr. Chairmen and members of the sub-committees: I am John J. Salesses, vice president for Academic Affairs at Rhode Island College. Thank you for this opportunity to testify at the subcommittees' hearings leading to the Reauthorization of the Higher Education Act. I am particularly pleased to be able to describe to you briefly something about Rhode Island College and our students, and to talk about the implications of the Reauthorization Act upon our students, particularly on the problems related to preparation for college and success in college.

THE COLLEGE

Rhode Island College is a public institution of higher learning whose primary goal is to provide undergraduate programs in the arts and sciences and in professional and pre-professional fields. The college also offers a range of graduate programs in the arts and sciences and in the areas of education, and community, public, and social services. The basic commitment of the faculty to excellent services in teaching is complemented and enriched by research and by service to the college, the State, and the region.

While most students are from Rhode Island and the surrounding areas, the college welcomes students from other States and countries and actively seeks to include among its student body racial and ethnic minorities, the economically disadvantaged and the handicapped. Academic offerings are provided in five schools: the Faculty of Arts and Sciences, the School of Education and Human Development, the School of Social Work, the School of Graduate Studies, the Center for Industrial Technology; and through the Office of Continuing Education.

UNDERGRADUATE STUDENTS

Rhode Island College describes itself as a "college of opportunity" and this is certainly true for the students who attend this institution. The student body is composed overwhelmingly of Rhode Islanders who live within 50 miles of the college and commute to class. A little over half are first generation college students whose families have little or no expectation of what college will demand of their sons and daughters. Freshmen entering college right out of high school report their high school grades are above the national average for students attending a public 4-year college, yet they perceive themselves to be well below the national average in both intellectual and social self-confidence (1990 Cooperative Institutional Research Program Freshman Survey). Two-thirds of the student body is female and over two-thirds of the students are Roman Catholic. Approximately one-third of the undergraduate population is composed of returning adult students over the age of 23. Approximately 40 percent of the students currently in attendance transferred here from another college, primarily from the Community College of Rhode Island.

Ninety-one percent of the students are Caucasian, but 9 percent of this year's entering freshmen said that another language was spoken at home. The most recent census figures for the State of Rhode Island show that 90 percent of the State is Caucasian, 4.6 percent is Hispanic, 3.9 percent is Black, 1.8 percent is Asian, and .4 percent is American Indian.

The student body at Rhode Island College does not fit the popular perception of the college student—full time, residential for 4 years. It reflects the type of student which more and more represents the norm for colleges. While most students still attend the College full-time (89 percent), there is a substantial amount of movement back and forth between full and part-time status. Sixty-five percent of a group studied recently had attended full-time in every semester attended, but 19 percent were enrolled full-time between three quarters and all of the time, 11 percent were enrolled full-time between one half and three quarters of the time, and 4 percent were enrolled full-time at least once, but less than one-half of the time. Only 1 percent was enrolled part-time in each of the semesters attended. For this study group the average number of credits taken in their first seven semesters was 12 (typically four courses). In any given semester approximately 30 percent of the undergraduate student body is enrolled part-time.

Very few students live on campus. The College currently houses 625 of its 7200 undergraduates. The great majority of both full and part-time undergraduates work while enrolled at the College (85 percent). Forty-three percent of the full-time commuters and over 75 percent of the part-time commuters report working over 20

hours per week and almost one half of the part-time students indicate that they work full time. Most of these students report that they need to work to pay for their education.

The College recognizes the needs of the student body and schedules courses from 8 a.m. to 10 p.m. and on Saturdays. Over a third of the student body attends classes during the summer to "keep on track for graduation."

About 20 percent of the students who enter the College as freshmen graduate within 4 years, but another 35 percent are still enrolled in the fifth year. After 7 years, about 45 percent have graduated and 5 percent are still enrolled. These rates are comparable to those reported for other 4-year public colleges nationwide. Only one half of the students entering this type of institution eventually graduate from their first college, and many are taking longer than the once-traditional 4 years. The graduation rate for transfer students is somewhat higher than that for students entering as freshmen. About 30 percent of the transfers graduate after 3 years, 45 percent after 4 years. After 7 years 54 percent have graduated, with 3 percent still enrolled. For both groups, women have a higher graduation rate than do men although this difference is smaller for the transfer group.

Undergraduate Programs and Enrollment

Undergraduate degree candidate enrollment increased 9.6 percent in the fall of 1990 from the fall of 1989, reaching a 10-year high of 6,368 FTE. Full time degree candidates increased 8.3 percent, part time students increased 13.2 percent. The top three curriculum choices for undergraduates enrolled during the fall 1990 are in the Liberal Arts 33.7 percent, Education, 31.1 percent, and Management, 13.1 percent. The most popular academic majors at Rhode Island College include Psychology (539), Communications (358), English (237), Art Studio (209), History (135), Computer Science (120), Mathematics (114), Biology (113), Political Science (110). While there is a 6.4 percent increase in liberal arts students in the undergraduate degree population, overall there has been a decline since 1983 when liberal arts students constituted 44 percent of our undergraduates.

Enrollment in teacher education programs declined in the late 70's and early 80's, but it has increased steadily over the past 7 years. This fall enrollment in education programs increased to 1980 students, an increase of 19.2 percent over last year and about twice the enrollment levels of the early 1980's. This dramatic change in the enrollment in the college's education programs is a good example of the cyclical pattern of demand for professional programs in higher education. Enrollments in these programs tend to rise and fall in response to perceived levels of demand and compensation in the work force. Programs which have contributed the most in terms of absolute numbers to the resurgence of education enrollments are elementary education and secondary education. Elementary Education enrollments have more than doubled since 1985, from 467 to 1230. Secondary Education enrollments have tripled since 1985, from 130 to 390. I would like to emphasize that in all of our education programs, and specifically in Elementary Education, students are required to have an academic major except for some few who have a teaching concentration such as science, liberal arts or social sciences. There has been a considerable shift from the early childhood to the generalized program within elementary education, which may be a response to changes in State certification requirements.

Management enrollments increased dramatically in the early 1980's, and peaked at 968 in 1986, then went into a slight decline. Enrollment has been relatively constant since 1988. This fall's enrollment of 833, for example, is almost identical to the enrollment of 1988. General Management continues to be the most popular track among the management programs with 315 students, followed closely by accounting with 284.

The undergraduate Social Work program had its greatest enrollment in 1979, with 268 students. Enrollment declined to a low of 142 last fall, then increased slightly to 161 this year. The medical technology program which averaged about 110 students in the mid-80's declined sharply in 1986 to 72 students and has continued to enroll fewer students each year. This fall the enrollment has reached a low point of 22 students.

Industrial Technology enrollment grew steadily to a peak of 151 students in 1988, but has declined the past 2 years. Enrollment this fall is 138 compared to 146 last year.

Nursing enrollment peaked in 1981 at 881 students and until this year has declined steadily. This fall enrollment jumped 31.9 percent from a low of 317 last year to 418 this fall. Next year's enrollment level will help to determine whether this increase signals a new trend or a temporary reversal in a longer term decline. (It

would appear at this point from our applications not only of freshmen but also transfer students, that there is a new trend in the nursing program.)

Some notable changes in our enrollments in academic majors include the new major in Justice Studies which has dramatically increased its enrollment this year, from 22 students to 91 this fall. Student enrollment in Computer Science, which peaked at 408 in 1983 at 16.1 percent of the undergraduate academic majors, declined for 5 years in a row, but now seems to have stabilized; enrollment over the past 10 years has averaged about 116 majors. Enrollment in History continues to grow, up 24 students over last year to 135 this fall. This may be a result of the renewed interest in Secondary Education, and students going into that curriculum and selecting History as their academic program or major. Along with these departmental undergraduate programs there are ten interdisciplinary programs available at Rhode Island College. While enrollment in these programs is not high, the opportunity is present for students to concentrate in these special areas. These programs are Anthropology and Public Archaeology, African/Afro-American Studies, Classical Area Studies, Film Studies, Labor Studies, Latin-American Studies, Medieval and Renaissance Studies, Urban Studies, Women Studies, and a Student Designed Concentration, which enables a student to make other combinations of majors in relation to their interest.

Rhode Island College has an active honors program Students in this program participate in special sections of the general education courses in their first 2 years at the college and may then transfer into a departmental honors program if they are qualified and have the interest to do so.

All students at Rhode Island College are required to participate in the General Education program, which consists of 12 courses and requires a minimum of 36 semester hours. It consists of a four course core requirement in western civilization and western literature and a distribution requirement consisting of eight courses selected from the following categories: social and behavioral sciences, fine and performing arts, natural sciences, mathematical systems/computer science, and ethical issues, values, and philosophical perspectives.

Graduate Programs Enrollments

Graduate enrollments have increased significantly during the past 3 years, recovering from a decline in the late 1970's and early 1980's to a low in 1983 of 644 students. This past fall 1,116 degree candidates were enrolled in graduate programs. The increase has been steady since 1988. These figures may be misleading because along with these degree candidates, there are approximately another 1000 nonmatriculating graduate students who have not yet been admitted and officially enrolled in programs.

The largest of the graduate enrollments is in the Master of Education programs which increased 19.8 percent in 1989 and 26.6 percent in the Fall of 1990; the current enrollment of 367 is the highest the college has experienced in the past 10 years. Programs in Master of Arts in Teaching have increased steadily since the Fall of 1982 and this Fall there are 254 students in MAT programs.

The Master of Social Work enrollment has increased to its 10-year high of 176 students and the Master of Arts programs are at the highest enrollment since 1983 with an enrollment of 158 graduate students. The Certificate of Advanced Graduate Study, which at some institutions is known as a Specialist's Degree, has maintained consistent enrollment during the past 3 years, averaging about 60 students.

Budget

Table No. 1 provides budget figures for Rhode Island College. It should be noted that support for the college comes from three sources: State appropriation, tuition and fee revenue, and grants, sales and services. It is important to note that students are paying an increasing proportion of their educational costs and concurrently, the State appropriation represents a smaller and smaller proportion of the total revenue for the college. For example, in 1987–88, the State appropriation was 71 percent and tuition was approximately 25 percent. In 1991–92 the State appropriation is 59 percent and the tuition is 35 percent. This is an important issue for our students and it appears likely that in 1991–92, the scheduled tuition increase 9 percent may now be considerably higher. The implications of that for financial aid are very significant and will be described below. Table No. 2 shows the undergraduate tuition and fees for the 5-year period, again not taking into account a very likely tuition and fee increase above 9 percent.

ADMISSIONS

Rhode Island College continues to benefit from the implementation of a number of enrollment strategies and initiatives put into place over the past few years to cope with the deepening demographic downturn among high school graduates and to reverse declining enrollment trends experienced in the early 1980's. Included among these enrollment management strategies were a consolidation of the former Office of Undergraduate Admissions and the Center of Financial Aid and Student Employment Services into an Office of Admissions and Financial Aid reporting to a Dean of Admissions and Financial, a thorough redesign and an updating of College publications and recruiting materials, enhancement of personnel and other resources available to the Office of Admissions and Financial Aid, a much more aggressive and considerably more targeted, segmented, and personalized recruitment effort, a substantially revised system for packaging student financial aid coupled with a significant increase in the College's commitment to grants for needy students, a college-wide advertising campaign to bring the College's message of quality and opportunity to the citizens of the State, and a series of activities to improve the retention rates for returning students.

The College aggressively pursues an admissions policy to recruit, admit and enroll students capable of doing the academic work at a level consistent with the academic expectations of the College. In addition, the College seeks to minimize the lack of personal/family financial resources on the enrollment or retention of otherwise qualified students.

Rhode Island College considers the whole person as a prospective student. In making an admissions decision, a substantial amount of information is considered including standardized test scores, standing in high school class, the demands of the high school program, recommendations of high school teachers and guidance counselors, school activities, activities outside school, demonstrated maturity, interviews, motivation and individual differences and circumstances. Because weaknesses in some areas can be compensated for by strengths in other areas, we do not focus on one or two factors in isolation. It is the total record which is considered in making decisions. As a public college, Rhode Island College proceeds on the assumption that if a student could reliably and professionally be evaluated as likely to succeed at a baccalaureate level of study, he or she should be admitted to the college. We have believed such a policy is consistent with our status as a public college, and the admissions policies and programs have been developed with that approach in mind. Specifically, the admissions policies have supported the College's primary mission to make its academic programs available to any qualified resident of Rhode Island who can benefit from its educational services. The College is committed to educating a range of students who present a variety of demographic and educational backgrounds, and the college offers academic programs to qualified undergraduates of traditional age as well as to older students.

The College is committed, as well, to educating racial and ethnic minorities and has pursued an aggressive admissions program to reach these students. Although the statewide proportion of minorities identified by the 1990 census is 10 percent, the proportion of minority Rhode Island high school seniors in 1989/90 was 9.4 percent. During the 1989/90 recruiting period, the College attracted 10/5 percent of its freshman applications from minority students, an increase of 15.6 percent over the previous year.

While financially well-off students will find places in the private sector, fully-able less-wealthy students find a home in institutions such as Rhode Island College because they want a demanding baccalaureate program which is not excessively expensive and which can be attained while they are working and, in many cases, living at home. They have accepted the American dream which says that education is the vehicle of opportunity for them, and they accept the role of Rhode Island College as their college of opportunity. Those who teach the Rhode Island College students testify to their ability and their seriousness of purpose.

The College recruits and enrolls students in a number of different categories. Freshmen admissions is offered to four groups of students. Regular freshmen admissions is designed for students who have recently graduated from high school and who present evidence of doing the academic work expected at Rhode Island College. Students who high school background is outstanding are invited to enter the honors program. Students whose high school background may be lacking in an area, but other information suggests that the student could succeed in college are admitted into a special provisional program which provides them with continual advising and monitoring during their freshman year. The Preparatory Enrollment Program (PEP) is designed to assist high school students from Rhode Island who are educa-

tionally underprepared and who come from academically and economically disadvantaged backgrounds. The program provides these students with special preparation, which will enable them to qualify for admission to Rhode Island College.

Returning adult students are admitted into the College through a number of routes depending on their previous academic experiences. Those who have sufficient previous college credits can be admitted as transfer students. Those with less than the required number of previous college credit can be admitted as regular freshmen The Performance-based Admission program is for those who are at least 20 years old, and who have been away from schooling for some time and lack some of the usual college entrance requirements. These adults receive intense advising and monitoring until they have completed successfully a proscribed number of credits.

Rhode Island College welcomes transfer students and approximately one-third of the undergraduates attended another institution prior to coming to Rhode Island College.

Rhode Island college is, in summary, a College committed to fulfilling the intellectual growth and development of students who choose to attend. At Rhode Island College, the student is viewed as an active agent in the educational process. The student is expected to assume substantial responsibility for his or her learning. An environment is provided that fosters personal growth through recognition of individual differences, creative potential and different learning styles. The programs of study and the activities which are made available are aimed at preparing students for professional careers and meaningful lives.

Financial Aid

The typical applicant for financial aid at Rhode Island College is a first generation college student, a graduate of a college preparatory program who had average SAT scores and placed in the top half of his or her high school class. The student's family would be placed in the lower half of the income spectrum.

In the Fall of 1990, 58 percent of the undergraduate students enrolled at the college applied for financial aid; of those enrolled students 37 percent received aid. The average aid amount was $3,350 and the average grant was $2,200.

Table 3 presents a student aid recipient profile for the current academic year.

Table 4 shows the Applicants vs. Recipients for financial aid in 1990.

Table 5 is a comparison of Types and Sources of Aid in 1986 and 1991.

Transition from School to College

The issues related to the movement from elementary/secondary schools to college include the changing demographics at the elementary and secondary school level, especially the growing diversity in the population. Secondly, the unacceptably high dropout rate in the secondary schools, especially among minority students. Thirdly, the inappropriate "tracking" which occurs at the elementary/ secondary school level, in that students do not recognize the need to enroll in college preparatory course work early enough in the educational process. Fourth, the need for early intervention and early awareness programs so that—students and their parents know what is required of them and what help is available. Fifth is the importance of interinstitutional partnerships or alliances among schools and colleges, and sixth is the need for mentoring programs. Each of these 'pipeline' issues is really related to the overall need for preparation of students early in their educational program for the academic rigor of baccalaureate education. The influences upon our children and even their parents as a result of social and economic changes have caused the students to be less prepared for academic higher education and caused colleges to direct more resources to academic development and support services including intensive advising. Students today require help in developing study skills, in the writing process, in mathematics and in reasoning and clear-thinking. There is a greater need for assistance to those students for whom English is a second language, for the learning disadvantaged, and for physically disabled. A major effort in this respect at Rhode Island

College is the Preparatory Enrollment Program, mentioned above, which is conducted through our student support services. The Student Support Services Program is funded by the Department of Education under the Special Services for Disadvantaged Students Grant. The goal of the student support services program is to increase the performance and attention rates of those students whose educational and/or financial deficiencies render them unequably competitive with the average college student. The staff of this program provides tutorial as well as nonacademic support services to economically or educationally disadvantaged or limited English-speaking students. Prior to a student's admission to the student support services

program each student must attend a six-week residential summer session. During this session, students participate in an assortment of pre-college courses that correspond to their level of skills in a given area. Students who need additional academic support receive tutorial assistance and counseling. When students successfully complete the summer program and upon completion of their secondary school education, they are admitted to Rhode Island College. Each student is assigned a counselor who will continue to provide individual advising and academic support services throughout the student's college career. While this program is federally supported, the funding for 1990–91 was $160,569.

The *Upward Bound* program is in its 25th year at Rhode Island College. This program offers comprehensive services to selected participants, including rigorous academic instruction, individual tutoring and counseling, and career information. This program has been extremely successful; it is designed for students not older than 19 from a low income family and/or first generation college students. This successful program provides a comprehensive approach to student services during their high school enrollment and follow-up services in a tracking system for graduates. Since 1982 there has been a 0 percent high school dropout rate for students enrolled in this program, and of those who begin in the program the overall college retention rate is 88.4 percent. Since 1982, of *Upward Bound* graduates, 98 percent have been accepted into accredited private and public colleges and universities throughout the country and 98 percent of the students have enrolled in those colleges at which they were accepted, and 78 percent of the graduates have maintained the satisfactory progress and graduation rate from those same colleges and universities. The total Federal allocation for this academic year is $295,968. The racial and ethnic identification of these students is Asian 25, or 18.4 percent, the Black is 51 students, or 37.5 percent, Hispanic 28 students, 20.6 percent, Native American 5 students, or 3.6 percent, and White 27 students, or 19.9 percent. *Upward Bound* has always exceeded its enrollment goal but unfortunately the program has to deny admission to at least 50 qualified students each year, due to funding restrictions.

Recommendations

We support initiatives which provide qualified students from diverse backgrounds assistance in accessing higher education. The changes that have taken place in the college student profile and the, continuing changes that are predicted mean our college population will be comprised of students from 18 to 80 who do not follow the lockstep 2-year or 4-year degree cycles; who work to support themselves, their families and their education; who belong increasingly to minority groups for English is not the primary language spoken in the home; who move in and out of education as their personal circumstances require; and who increasingly require additional support services to help them achieve their academic goals.

Four of the following recommendations speak to existing programs. The fifth addresses an urgent need which is to guarantee that more of our children graduate from high school in order to be qualified to enter collegiate programs.

The following issues in respect to title IV in the Reauthorization Act are of significant concern to Rhode Island College:

1. *Grants vs. Loans.* The relative share of Federal aid which is in the form of grants has dropped to approximately one-fourth. This is almost the exactly the reverse ratio of 10 or so years ago. Additionally, the purchasing power of the available grant dollars has been significantly eroded by rising college costs during the past decade. For us, this cost trend will likely be even more dramatic in the next few years. We are now overly dependent upon loan aid, as a result loans are being taken by most needy students and families. This is a particular problem for Rhode Island College families, which for the most part are from the lower half of the income spectrum. We support increasing the maximum Pell Grant, to restore its purchasing power, and similarly, increasing funding for the campus-based grants (SEOG). It does not seem advisable to enhance the Pell Grants, however, at the expense of campus-based programs.

2. *Simplifying the aid application process.* Clearly the complexity of the financial aid application presents a deterrent, even barrier, to some of the most needy students and their families. Again, this is particularly true for our Rhode Island College population. In this respect, we support Federal initiatives or incentives to colleges and States to improve early awareness activities in order to better inform, advise, and assist students and families in the entire application and financial aid process. Additionally, we favor a system which requires a student to complete only one, not numerous financial aid forms. However, we do not support an oversimplified data collection process which collects insufficient financial data to allow institu-

tions to make an informed determination of "need" and which makes the institutions the responsible stewards of Federal, State, or institutional dollars. A reasonable compromise between complexity and over-simplification should be found.

3. *A more realistic analysis.* A number of issues are particularly relevant to Rhode Island College students and their families:

a. a clearer and more realistic definition of "independent student"

b. a more realistic treatment of "home equity"

c. a more reasonable taxation rate on student earnings, which is currently at 70 percent of their prior year's earnings.

As well, the formula should either be taken out of the statute or if kept in should have an annual update mechanism, other than requiring the passage of a technical amendment which often seems to get neglected, due to other legislative imperatives.

4. *Relief from over-regulation.* We propose that institutions which have demonstrated sound fiscal stewardship be relieved from unnecessarily complicated and burdensome regulatory requirements.

5. *Early awareness and early intervention partnerships.* We encourage new Federal initiatives to support collaborative programs among State government elementary/secondary and post secondary education, and the private sector to expand early awareness and early intervention programs. Here in the State of Rhode Island,for example, the Children's Crusade for Higher Education, which if given greater support both from private industry and the Federal and State government, could greatly assist in early awareness/early intervention. We support initiatives which combine intervention as early as the third grade with tutoring, mentoring and other support services as well as with the development of endowment funds to provide post-secondary education tuition for economically needy students.

Conclusion

I wish to thank the committees for the opportunity to address this important issue. I will be pleased to answer any questions. We need to ensure that the opportunity of higher education is readily available for all qualified students particularly those who might be the first in their family to attend college and those who are economically disadvantaged. Our Nation needs an educated citizenry.

Table 1

Revenue (Unrestricted)

($ in thousands)

	Actual 87/88	Actual 88/89	Actual 89/90	Estimated 90/91 [1]	Requested 91/92	Projected 91/92
State Appropriation	$28,779	$31,286	$31,917	$28,489	$34,957	$28,489
Tuition and Fees	10,112	11,344	13,065	15,703	17,000	17,000
Other	1,804	1,639	2,316	2,468	2,704	2,704
Total	$40,695	$44,269	$47,298	$46,660	$54,661	$48,193

Expenditures (Unrestricted)

($ in thousands)

	Actual 87/88	Actual 88/89	Actual 89/90	Estimated 90/91 [1]	Requested 91/92	Projected 91/92
Personnel	$31,419	$33,717	$36,902	$37,617	$42,030	
Operating	5,692	6,214	6,387	5,481	6,813	
Capital	1,124	1,327	1,232	800	2,375	
Student Aid	1,674	1,734	1,933	2,300	2,404	
Other	790	1,268	865	1,107	1,039	
Total	$40,699	$44,260	$47,319	$47,305	$54,661	

[1] Reflects current (January 1991) revenue and current expenditures. Additional expenditure reductions will be necessary.

Table 2

Tuition and Fees—Undergraduate

	87/88	88/89	89/90	90/91	Projected 91/92
In-State	1,392	1,579	1,703	1,850	1,990
Out-Of-State	3,892	4,129	4,331	4,714	5,100

Ninety percent of our students commute to campus. Those who live on campus pay an additional room and board charge of $4,226 (FY91).

Table 3

1990–91 Rhode Islander First Generation College Student

High School Diploma, Full College Prep Program, Top half high school class, Average SAT scores, Lower half of income spectrum, Average Aid $3,350, and Average Grant $2,200

	Dependent Student	Independent Student
Average Income	$30,600 [1]	$13,380
Mean Household Size	3.8 persons	1.9 persons
Mean No. in College	1.4 persons	1.0 persons
Average Need	$5,034	$7,146

Aggregate unmet need for applicants approximates $5,000,000.

[1] Parents ** Many single heads of household

Table 4

1990 Applicants vs. Recipients

Enrollment Fall 1990		No. Students Receiving Aid	Percent of Enrolled Students Receiving Aid	No. of Applicants	No. of Enrolled Students Applying
Undergrad Degree Candidates	6,368	2,351	37	3,700	58
Graduate Degree Candidates	1,016	144	14	214	21

Table 5

Comparison of FY 86 vs. FY 91

Types and Sources of Aid

Program	Type	Source	FY 86	FY 91 Amount	FY 86	FY 91 Percent of Total Aid Available
Pell Grant	Grant	Federal Govt.	$2,000,000	$2,060,000	22.0	25.0
SEOG	Grant	Federal Govt.	360,000	476,000	4.0	5.6
NDSL (Perkins)	Loan	Federal Govt.	500,000	657,000	5.5	7.8
Nursing Loan	Loan	Federal Govt.	45,000	103,000	0.5	1.2
CW-SP	Work	Federal Govt.	750,000	668,000	8.3	8.0
GSL	Loan	Federal Govt.	3,500,000	1,435,000	38.8	17.1
Total RIC			$7,105,500	$5,399,000	79.0	66.0
RIC Grants	Grant	R.I. College	$373,000	$1,010,420	4.1	12.0
PBA Grants	Grant	R.I. College	35,000	9,000	.4	.01
PEP Grants	Grant	R.I. College	255,000	340,000	2.8	.4
NDSL Match	Loan	R.I. College	21,500	19,000	.3	.02
CW-S Match	Work	R.I. College	160,000	120,000	1.8	.1

Table 5—Continued

Types and Sources of Aid

Program	Type	Source	FY 86	FY 91 Amount	FY 86	FY 91 Percent of Total Aid Available
Total RIC			$844,500	$1,498,420	9.4	16
RI State Grant	Grant	State	$500,000	$990,000	5.5	12.0
RI Work	Work	State	100,000	71,500	1.1	.9
Total RI State			$600,000	$1,061,500	6.6	12.9
Other States	Grant	State	$75,000	$53,000	0.8	.6
Miscellaneous	Grant	Private Donors	375,000	360,000	4.2	4.5
Total Miscellaneous			$450,000	$413,000	5.0	5.1
Total Aid Programs			$9,000,000	$8,370,920	100.0	100.0

Senator PELL. Thank you very much, Dr. Salesses.

Dr. Silvestre.

Mr. SILVESTRE. Good morning, Senator Pell, Congresswoman Lowey and Congressman Reed. I would just like to say at the outset that unfortunately, Mr. Edward Liston couldn't be here, because he was born and raised in Westchester County, and that's Congresswoman Lowey's home district. In any case, my name is Robert Silvestre, I'm the vice president of Academic Affairs at the Community College of Rhode Island.

CCRI is the largest community college in New England with an enrollment of over 16,000 students, and I would like to thank you for giving me the opportunity to testify on behalf of the Community College at this important hearing on the Reauthorization of the Higher Education Act. The Community College of Rhode Island is a large, multicampus, comprehensive community college with an extremely diverse student population.

Our traditional student is no longer 18 to 19 years old. While we attract a healthy percentage of the recent high school graduates each year, our growth in enrollment has been in the older student segment. The student body is increasingly part time, with many students juggling the responsibilities of job and family, while attempting to build a better life through education. Many of these are single parents.

At our newest campus which opened last September in Providence, 74 percent of the students are from a minority group and 80 percent represent the first generation in their family to attend college. Our new Providence campus, with the current enrollment of nearly 1,000 students, is a port of entry for many inner city residents who would not otherwise have access to higher education. A number of these students lack the basic skills or the English proficiency to begin a post secondary program of study, that's why the traditional college credit courses are only a small part of what's happening in Providence.

The campus is a major GED preparation and testing center. Remedial math, writing, and reading programs as well as ESL pro-

grams prepare students to begin college course work. Short term, noncredit vocational credit training programs are offered through our office of community services and programs such as the Educational Opportunity Center and Project Sphere offer a variety of support services to students and the community which the campus serves.

Of course, our efforts to reach out to disadvantaged and minority students are not limited to the Providence campus. The Community College of Rhode Island was created to provide educational opportunities for all Rhode Islanders and we strive to meet that goal by offering academic programs and support services for all who can benefit regardless of ability to pay.

Students select the Community College of Rhode Island for a variety of reasons. For some students, we provide and in expensive option for completing the first 2 years of a baccalaureate education. These are students who enter CCRI with the goal of transferring to a 4-year college or university. For others, we represent an opportunity to up grade vocational skills or to learn new skills. For example, many of our industrial technology programs, allied health, and these sorts of things are where students are learning new skills. Our goal is to provide these students with the tools they need to lead meaningful and productive lives.

Today, we as a Nation a re facing unprecedented challenges. It is estimated that 75 percent of the new jobs in this country will require some form of post secondary education or retraining by the year 2000. There will be fewer and fewer opportunities available for unskilled workers. Our ability to train a technical labor force will have a direct impact on the economic health of our State as well as our Nation. This means not only giving our young people the basic skills they need to succeed in the work force of the future, but retraining significant numbers of older adults so that we can successfully adapt to the changing technologies. Many of those requiring postsecondary education and training will be individuals with special needs, minorities, single parents, unemployed workers, recent immigrants, as well as disabled persons. For these individuals, as well as substantial numbers of the so-called traditional students, paying for college can be an insurmountable obstacle.

It's our feeling that we must ensure that no needy student is denied an opportunity to pursue education for financial reasons, because in the long run, we all benefit from the education that these students receive. They are the students who through education will pull themselves out of poverty, off welfare into meaningful, productive jobs.

We need your help through the reauthorization of the Higher Education Act to ensure that community colleges we main accessible institutions for all who seek to further their education. The Community College of Rhode Island relies heavily on Federal financial aid programs in order to remain an accessible institution. Last year 2,277 students received a total of $2,281,000 in Pell Grants. This year over $3 million will be awarded to CCRI students through the Pell grants program. Students also receive Federal aid in the form of SEOG Grants, college work study awards and several State aid programs.

The need for financial aid is increasing, a trend which is expected to continue as the Providence campus we serve, primarily low income population, expands its enrollment. Students at CCRI also participate in the Stafford Loan Program, formerly known as Guaranteed Student Loans. 314 students received $565,000 in Stafford loans last year.

However, CCRI does not encourage needy students to apply for loans. In fact, students are often counseled against such action. It is the college's position that these students should not be incurring debt, particularly in the early, exploratory months of their college career. Grants and work study options should be available in sufficient amount for those who need them.

The reauthorization of the Higher Education Act offers an opportunity to improve access for those who can most benefit from the education and training available at the community college level. As a first step, Pell Grants should be designated as an entitlement program fully funded so as to reduce dependence on loans. The loan program should be revised to discourage loans to students in at least the first semester of college or to give colleges more latitude in denying loans. Without such controls, it will be difficult to deal with the default problem. Although at CCRI the default rate is low, it is an area of concern that could be diminished.

Finally, the financial aid delivery system needs revision. The current process is cumbersome and maybe too intimidating for those who need it most. A simplified needs analysis system should be created. There is no doubt that this country's economic strength is directly linked to our ability to train a work force. Making education and training accessible through an adequately funded, equitably administered student aid program will reap substantial economic benefits in the years to come.

Thank you again for allowing me to appear before this Committee.

[The prepared statement of Mr. Silvestre (with attachments) follows:]

PREPARED STATEMENT OF MR. SILVESTRE

Mr. Chairman, my name is Robert Silvestre and I am the vice president for Academic Affairs at the Community College of Rhode Island. CCRI is the largest community college in New England, with an enrollment of over 16,000 students.

Thank you for giving me the opportunity to testify on behalf of the Community College at this important hearing on the reauthorization of the Higher Education Act.

The Community College of Rhode Island is a large, multi-campus, comprehensive community college with an extremely diverse student population.

Our "traditional" student is no longer 18 or 19 years old. While we attract a healthy percentage of the recent high school graduates each year, our growth in enrollment has been in the older student segment.

The student body is increasingly part-time, with many students juggling the responsibilities of job and family while attempting to build a better life through education.

Many are single parents.

At our newest campus, which opened last September in Providence, 74 percent of the students are from a minority group, and 80 percent represent the first generation in their family to attend college.

Our new Providence Campus, with a current enrollment of nearly 1,000 students, is a port of entry for many inner city residents who would not otherwise have access to higher education.

A number of these students lack the basic skills, or in the English proficiency, to begin a post-secondary program of study.

That's why the traditional college credit courses are only a small part of what's happening in Providence. The campus is a major GED preparation and testing center. Remedial math, writing, and reading programs and ESL programs prepare students to begin college course work. Short term non-credit vocational training programs are offered through our Office of Community Services. And programs such as the Educational Opportunities Center and Project Sphere offer a variety of support services to students and the community which the campus serves.

Of course, our efforts to reach out to disadvantaged and minority students are not limited to the Providence Campus. The Community College of Rhode Island was created to provide educational opportunities for all Rhode Islanders, and we strive to meet that goal by offering academic programs and support services for all who can benefit, regardless of ability to pay.

Students select the Community College of Rhode Island for a variety of reasons.

For some students, we provide an inexpensive option for completing the first 2 years of a baccalaureate education. These are the students who enter CCRI with the goal of transferring to a 4-year college or universities.

For others, we represent an opportunity to upgrade vocational skills—or to learn new skills. Our goal is to provide these students with the tools they need to lead meaningful, productive lives.

Today we as a Nation are facing unprecedented challenges. It is estimated that 75 percent of the new jobs in this country will require some form of post-secondary education or training by the year 2000. There will be fewer and fewer opportunities available for unskilled workers. our ability to train a technical labor force will have a direct impact on the economic health of our State and our Nation.

This means not only giving our young people the basic skills they need to succeed in the work force of the future, but retraining significant numbers of older adults so that they can successfully adapt to the changing technologies.

Many of those requiring post-secondary education and training will be individuals with special needs—minorities, single parents, unemployed workers, recent immigrants, disabled persons.

For these individuals as well as substantial numbers of the so-called "traditional students," paying for college can be an insurmountable obstacle.

We must ensure that no needy student is denied an opportunity for money for financial reasons because, in the long run, we all benefit from the education that these students receive. These are the students who, through education, will pull themselves out of poverty, off welfare, into meaningful, productive jobs.

We need your help, through the reauthorization of the Higher Education Act, to ensure that community colleges remain accessible institutions for all who seek to further their education.

The Community College of Rhode Island relies heavily on Federal financial aid programs in order to remain an accessible institution.

Last year 2,277 students received a total of $2,281,269 in Pell Grants. This year over $3 million will be awarded to CCRI students through the Pell Grant program. Students also receive Federal aid in the form of SEOG grants, College Work Study awards and several State aid programs. The need for financial aid is increasing, a trend which is expected to continue as the Providence Campus, which serves primarily a low income population, expands its enrollment.

Students at CCRI also participate in the Stafford Loan program, formerly known as Guaranteed Student Loans. Three hundred and fourteen students received $565,368 in Stafford Loans last year.

However, CCRI does not encourage needy students to apply for loans. In fact, students are often counseled against such action. It is the College's position that these students should not be incurring debt, particularly in the early, exploratory months of their college career. Grants and work study options should be available in sufficient amounts for those who need them.

The reauthorization of the Higher Education Act offers an opportunity to improve access for those who can most benefit from the education and training available at the community college level. As a first step, Pell Grants should be designated as an entitlement program, fully funded so as to reduce dependence on loans.

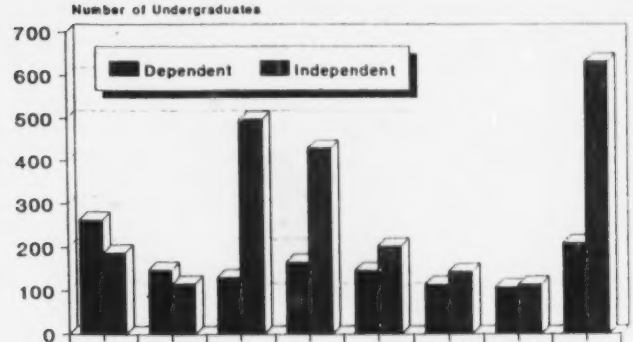
The loan program should be revised to discourage loans to students in at least the first semester of college or to give colleges more latitude in denying loans. Without such controls, it will be difficult to deal with default problems. Although CCRI's default rate is low (13 percent), it is an area of concern that could be diminished.

Finally, the financial aid delivery system needs revision. The current process is cumbersome and may be too intimidating for those who need it most. A simplified needs analysis system should be created.

There is no doubt that this country's economic strength is directly linked to our ability to train a workforce. Making education and training accessible through an adequately funded, equitably administered student aid program will reap substantial economic benefits in the years to come.

[Charts follow.]

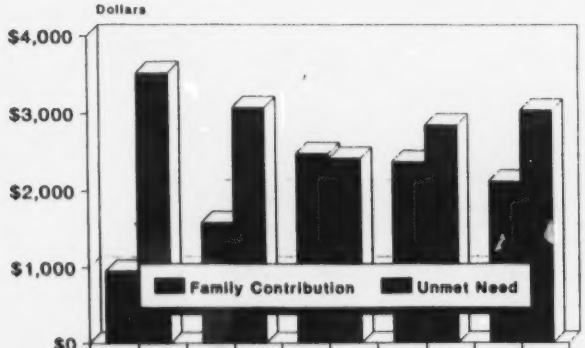
COMMUNITY COLLEGE OF RHODE ISLAND
Eligible Aid Applicants by Income
1989-90



	TO 5.9K	6-11.9	12-17.9	18-23.9	24-29.9	30-35.9	36-41.9	42K+
Dependent	263	149	132	166	147	115	109	209
Independent	188	117	498	430	202	144	115	632

Income in Thousands of Dollars

COMMUNITY COLLEGE OF RHODE ISLAND
Average Family Contribution & Unmet Need
For DEPENDENT Students: 1987-91



	1987	1888	1989	1990	1991
Family Contribution	$953	$1,585	$2,481	$2,376	$2,124
Unmet Need	$3,527	$3,077	$2,421	$2,853	$3,046

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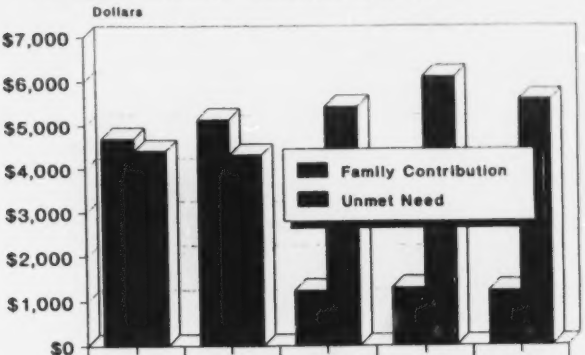
COMMUNITY COLLEGE OF RHODE ISLAND
Average Family Contribution & Unmet Need For INDEPENDENT Students: 1987-91



	1987	1988	1989	1990	1991
Family Contribution	$4,708	$5,148	$1,239	$1,297	$1,232
Unmet Need	$4,423	$4,327	$5,432	$6,109	$5,592

STUDENT FINANCIAL AID

From 1986-87 to 1988-89, the totals from both state and federal sources increased (16% and 27%). Stafford loans (formerly Guaranteed Student loans) decreased substantially in 1987-88. Overall, the total dollars available increased by 7.4% before any adjustment for tuition increases. Far more students received aid from the Rhode Island Higher Education Assistance Authority or from Pell grants in 1988-89 than in either of the two prior years.

STUDENT FINANCIAL AID

	1986-87		1987-88		1988-89	
	Amount ($1,000)	Number	Amount ($1,000)	Number	Amount ($1,000)	Number
STATE PROGRAMS						
RIHEAA	230	911	372	1,323	431	1,439
Comm. College Grants	357	624	311	557	238	408
Remission of Tuition	207	1,108	260	1,311	268	1,288
Student Help	356	575	393	576	395	600
Total State Program	$1,150	3,218	$1,336	3,767	$1,332	3,735
FEDERAL PROGRAMS						
Basic Op. Grant (Pell)	1,333	1,432	1,548	1,466	1,819	1,721
Supp. Ed. Op. Grant	103	231	90	195	89	159
College Work Study	249	266	171	177	241	225
Total Federal Program	$1,685	1,929	$1,809	1,818	$2,149	2,105
OTHER						
Stafford Loans (Formerly GSL)	$ 971	775	$ 483	304	$ 436	246
TOTAL STUDENT FINANCIAL AID	**$3,806**	**5,922**	**$3,628**	**5,889**	**$3,917**	**6,086**

SOURCE: Financial Aid Office & Controller's Office, as of June 30th
NOTES: Number of Recipients reflects a duplicate count of students
RIHEAA – Rhode Island Higher Education Assistance Authority
STUDENT HELP includes Federal share

Senator PELL. Thank you, Dr. Silvestre. You will be glad to know we sent to the President for his signature a measure that would authorize student aid offices to turn down applicants.

Dr. McKenna is an old personal friend and I welcome you here in your capacity as the president of the Rhode Island Independent Higher Education Association.

Mr. MCKENNA. Thank you, sir. I first of all would like to note that I represent eight independent colleges and universities in the State, Brown University, Bryant College, Johnson & Wales University, New England School of Technology, Rhode Island School of Design, Providence College, Roger Williams College and Salve Regina College, and I know I speak on behalf of all of those institutions when I say that I'm very pleased to be here today and I want to thank Senator Pell and Congressman Reed, both of whom I worked with for many years, and also delighted to make the acquaintance of Congresswoman Lowey. I was very pleased to have met Congresswoman Lowey for the first time and that I have had a chance to meet her.

I know that I speak on behalf of all eight independent institutions who members who are member of our association, when I say that we recognize and greatly appreciate the long contribution of Senator Pell to student financial aid. That's a little redundant to say, because everyone knows we really appreciate what is being done. I know you hear a great deal about what is not being done, but we know a great deal is being done, and he has of course been a leader in our country for decades. We also appreciate the firm commitment of Congressman Reed to solving this critical student financial aid problem facing the people of Rhode Island. I know that Jack is new but we have great hopes for him based upon what he's done already and also want to thank Mrs. Lowey for all that she has done.

I would like to say that we recognize the major commitment of the Federal Government to student financial aid. However, we really need to insist that the Federal Government must expand its relative role in student financial aid. It is well known that our institutions have been greatly increasing their own grant aid, as was presented at your hearing on March 21 in Washington.

There has been a dramatic decrease in Pell Grant aid, for example, at Salve Regina College, during the same period when the college institutional grant aid has increased dramatically. I know you have the material from the former hearing to demonstrate that and this trend really can't continue. The role of the Federal Government must expand because the college institutional aid comes primarily from tuition income, which only exacerbated the problem of paying tuition, particularly for middle income families.

I believe that the middle income families of our country make a great contribution to our society both in terms of taxpayers and workers, and they are being caught between decreasing Federal aid and increasing costs of higher education.

I would associate myself with all that's been said by the experts up to this point and I know I will offer to agree with those. However, I think it's very important in having these hearings in the field, you have the opportunity to see the people who are the direct beneficiaries and so I'm delighted I have with me today Mrs. Linda A.

Martinelli of Cranston, whose daughter Lisa is a senior at Salve Regina College. I think her testimony will dramatically illustrate the dilemma faced by hard-working, middle-class families of Rhode Island. I am very please to introduce Mrs. Martinelli to give you a personal, direct, a sense of what the current Federal financial aid program is doing, but also doing failing to do from the broad families of State of Rhode Island.

Senator PELL. Thank you.

We welcome you here Mrs. Martinelli.

Ms. MARTINELLI. I am not used to appearing before Congressional Committees and I am doing so only because I feel so strongly that families such as mine so badly need aid from the Federal Government.

My husband and I have a very modest income. One thing we do have, however, is great expectations for our children's future, if they receive the right kind of higher education. My daughter Lisa has found this at Salve Regina College. Regretfully, during her 4 years at the college, we were not able to obtain any Pell Grant money. As a result of this, we had to depend upon financial aid from the State of Rhode Island and the college, and also on very substantial loans. My daughter Lisa will be leaving Salve Regina College this spring, after having received a wonderful education, but with a total indebtedness of $17,500. There is an additional $20,000 of indebtedness that my husband and I have incurred also.

We did receive a substantial grant from Rhode Island and also from Salve Regina College. I think there is something fundamentally wrong with the system that recognizes at the State level and the college level that grant aid is justified, while at the Federal level my daughter was denied any grant aid. Certainly the United States has the resources and should have the commitment to share and helping a good student who has very real financial aid, financial needs.

I am prepared to supply any information that you may need about my family's financial resources and the heavy economic burden we have had to bear in order to obtain the kind of education that is best for my daughter. We also have a second child whose education has been put on hold because we are also involved in the banking crisis, so there is no way right now that she can attend college, she is just waiting.

We are very grateful for the wonderful education our daughter, Lisa, has received and we appreciate the help we did receive. I urge you to continue to do everything you can to enable hard working, middle-income families to share in at least part of the taxes they pay and which are being used to fund the Pell Grant program. Thank you for this opportunity to appear before you today, and thank you for all you have done to help the people of the State.

Senator PELL. Thank you, very much indeed, very touching and hideous, in a way, the situation you are in.

Mr. Seth Kurn, who represents New England Tech, which is, I gather, no longer a tax paying institution but still identified as a trade school.

Mr. KURN. Thank you, Senator Pell, Congressman Reed, Congresswoman Lowey, my name is Seth Kurn and I am the executive vice president of the New England Institute of Technology in War-

wick. I appreciate the opportunity to appear before you this morning to discuss the importance of the reauthorization of the Higher Education Act.

Growing international competitiveness and rapid technological change make educating a more skilled work force more important than ever. Meeting this challenge will largely determine whether the United States falters or thrives in the economic marketplace of the 1990's the 21st century.

In order to prepare our work force for the future, students must be adequately equipped in the basic skills of reading, writing and mathematics, as well as in the more career-specific education. They must complete school with the ability to move on to the next step in order to be productive members of society.

As students move through primary and secondary education, many are preparing themselves for some type of postsecondary education. However, all too many fall through the cracks, either unsure of what they want, while others graduate either unsure of what the next step should be or find they are unprepared to take it.

When students graduate from high school they need to be aware of their options and have access to the type of post secondary education that best meets their needs. Too many students who complete high school are either unaware of post secondary educational options or have families who consider only traditional, 4-year college as an acceptable postsecondary choice. Upon entering a traditional college environment, many find it does not match their needs. In fact, 16 percent of the students at the New England Institute Technology and 30 percent nationwide had previously started at traditional 4-year colleges only to find they were dissatisfied with the traditional college experience. Others have completed a traditional college program, only to find they are ill prepared when they get into the job market.

For our students, private career schools are an ideal option. However, for a great number of them, access to financial aid is essential to their future. Every day newspaper headlines remind us that society must help all Americans become productive workers, but cutting Pell Grants make it more difficult for workers to get the training they need. More than ever, we need to bolster support for the technical education segment and post secondary education and reduce the imbalance between loans and grants that have forced our neediest students to rely upon loans to finance their education.

This means the trained workers must set out on the career path carrying a crushing debt burden. Restrictions and cuts in Federal student aid programs are adding to that burden. The rising rate of inflation and decrease in funds availability has forced students to bear a great portion of the costs. Coupled with other changes, such as a cap on borrowing under the Guaranteed Student Loan programs and restrictions on supplemental loans to students, students are increasingly hard pressed to pay for the training they need to find good jobs.

The growing percentage of private career school students who benefit from financial aid is no threat to the student aid system, but a reflection of increasing demand for this type of education. Pell Grants and the loan programs help private career school stu-

dents, many of whom live independently from their families, offset their high level of financial need.

Graduates of private career schools make a real contribution to society. One of the New England students, Tammy Jackson, who recently testified before this Committee, is a perfect example of how financial aid can have a tremendous impact on an individual and on society. According to Tammy, a single mother with two children, "In 1989 I was unemployed and living off my assistance checks. Soon I will graduate from New England Tech with an Associates Degree in computer program technology and a good job."

Contrary to popular belief, Tammy and students like her are not stuck at entry level jobs, they take the skills and training they have received to expand their fields and adapt to new technology.

Private careers schools are playing an in reasingly important role in developing the labor pool society needs to remain competitive with the United Europe and a financially powerful Asia.

Three-fourths of all new jobs created in the 1990's will require some form of post secondary education beyond high school. By the year 2000, the major contributors to new jobs will be small companies with fewer than 100 employees. Yes it is precisely these companies who are least able to provide remediation and training.

Private career schools such as New England Institute of Technology are providing an opportunity to a segment of society lacking in education and training for specific careers. Today's students must be able to pursue the post secondary education of their choice in order to be productive members of society. A lack of financial aid should not stand in the way of their future.

I appreciate this opportunity to share my thoughts with you. As you consider the future of student aid programs, I urge you to remember how important these programs are to millions of individuals and our Nation's economic future.

[The prepared statement of Mr. Kurn follows:]

PREPARED STATEMENT OF MR. KURN

Senator Pell, Congressman Reed, and members of the committee, good morning. My name is Seth Kurn and I am the executive vice president of the New England Institute of Technology in Warwick, RI. I appreciate the opportunity to appear before you this morning to discuss the importance of the Reauthorization of the Higher Education Act.

Growing international competitiveness and rapid technological change make educating a more skilled workforce more important than ever. Meeting this challenge will largely determine whether the United States falters or thrives in the economic marketplace of the 1990's and the 21st century.

In order to prepare our workforce for the future, students must be adequately equipped in the basic skills of reading, writing and mathematics as well as in more career-specific education. They must complete school with the ability to move on to the next step in order to be productive members of society.

As students move through primary and secondary education, many are preparing themselves for some type of postsecondary education. However, all too many fall through cracks along the way, while others graduate from high school either unsure of what the next step should be or find they are underprepared to take it.

When students graduate from high school, they need to be aware of their options and have access to the type of postsecondary education that best meets their needs.

Too many students who complete high school are either unaware of their postsecondary educational options or have families who consider only a traditional 4-year college as an acceptable postsecondary choice. Upon entering a traditional college environment, many find it does not match their needs. In fact, 16 percent of the students at the New England Institute of Technology (NEIT) and 30 percent nation-

wide had started at traditional 4-year colleges only to find they were dissatisfied with the traditional college experience. Others have completed a traditional college program only to find they are ill-prepared when they get into the job market.

Generally, there are three types of students who attend private career schools. The first is the just-mentioned group. Having attended traditional colleges, they have been disappointed with the results—either because it wasn't what they expected or because following graduation, they could not secure a job in a field for which they had studied.

The second group of students are those who come out of high school underprepared. These students are not ready for the job market nor are they prepared to enter a traditional 4-year college. They must receive some form of education in order to be a productive tax-payer, not a tax user, and often private career schools provide the training this group of students needs.

The third group of students attending private career schools are those who have just graduated from high school and have a career-specific path in mind for which they want and need to get education and training.

Regardless of the academic background, students enter NEIT possessing a great variety of academic preparation but with a similar goal in mind—career education to prepare them for a good job. NEIT has responded to the varied academic backgrounds of its entering students by establishing an Academic Skills Center to help build academic skills essential to their careers. The center assesses the student's academic level upon entrance and directs the student to courses at the appropriate level. Additionally, the Center provides free tutoring and a variety of preparation classes.

For these students, private career schools are an ideal option. However, for a great number of these students, access to financial aid is essential to their future.

Everyday, newspaper headlines remind us that society must help all Americans become productive workers. But cuts in Pell Grants make it more difficult for workers to get the training they need. More than ever, we need to bolster support for the technical education segment of postsecondary education and reduce the imbalance between loans and grants that has forced our neediest students to rely upon loans to finance their education.

In 1980, grants constituted 40 percent of the typical aid package, with loans making up most of the remainder. Now grants make up only 29 percent of the typical package.

This means trained workers must set out on the career path carrying a crushing debt burden. Restrictions and cuts in Federal student aid programs are adding to that burden. The rising rate of inflation and the decrease in funds availability has forced students to bear a great portion of the costs. Coupled with other changes, such as a cap on borrowing under the Guaranteed Student Loan program and restrictions on supplemental loans to students (SLS), students are increasingly hard-pressed to pay for the training they need to find good jobs.

The growing percentage of private career school students who benefit from financial aid is no threat to the student aid system, but a reflection of increasing demand for this type of education. Pell Grants and the loan programs help private career school students—many of whom live independently from their families—offset their high level of financial need.

Graduates of private career schools are making real contributions to society. There are about 2,000 stories I could tell you about the dramatic impact career education at NEIT has on its students in helping each of them achieve educational success, graduate, and become a productive member of society.

One of the students at NEIT, Tammy Jackson, who recently testified before this committee, is a perfect example of how financial aid can have a tremendous impact on an individual and on society. According to Tammy, a single mother with two children, "In 1989, I was unemployed and living off my assistance checks. This spring I will graduate from NEIT with an associate degree in computer programming technology and a good job."

Contrary to popular belief, Tammy and students like her are not stuck in entry level jobs—they take the skills and training they have received to expand their fields and adapt to new technology.

For the past 50 years, NEIT has been educating and training students in sixteen different fields. It offers associate degrees as well as bachelor's degrees to the nearly 2,000 students attending NEIT.

Private career schools are playing an increasingly important role in developing the labor pool society needs to remain competitive with a united Europe and a financially powerful Asia.

Three-fourths of all new jobs created during the 1990's will require some form of postsecondary education beyond high school. By the year 2000, the major contributors to new jobs will be small companies with fewer than 100 employees. Yet it is precisely these companies who are least able to provide remediation and training.

Private career schools such as the New England Institute of Technology are providing an opportunity to a segment of society lacking in education and training for specific careers. Today's students must be able to pursue the postsecondary education of their choice in order to be productive members of society. A lack of financial aid should not stand in the way of their future.

I appreciate the opportunity to share my thoughts with you. As you consider the future of student aid programs, I urge you to remember how important these programs are to millions of individuals and to our Nation's economic future.

Senator PELL. Thank you very much. I have just one question. I would be interested in the reaction of each member of the panel, that is how has student loan indebtedness impacted upon the career choice of the individual student?

Mr. SALESSES. Yes, Senator. Perhaps our enrollment, of course, had gone up in recent years, however, it seems to me, it's obvious when you look at certain programs, the Bachelor level social work program, there has been a decline. I think we note through the admissions process, through students' choice, that they are interested in those occupations or professions which are going to give them sufficient salary to handle these loans that they have to get because of the reduction in grants, but there is certainly some indication of student choice being made because of looking to programs where they are going to be sure of higher paying jobs.

Another example is the increase of enrollment in our programs in management and business and accounting areas where they feel there's greater opportunity. We still have very high enrollment and continue to get a higher enrollment in teacher preparation programs, we are pleased with that, however, I think that's because of the commitment of the individuals.

Senator PELL. Dr. Silvestre.

Mr. SILVESTRE. Addressing that, I think the choice of selecting a career choice, weighing against indebtedness, in many cases it's not the case of selecting a career, it's selecting higher education period. That's the case with some of our students—I don't know whether they would accept this or not. Second, I think it's my notion that when students are looking at this, they are deciding more and more to take an Associates Degree rather than a traditional transfer to Baccalaureate. It seems that that is a trend that I have a notion is taking place.

Mr. MCKENNA. Well, I would say that certainly at Salve Regina College, there is a great trend away from teacher education and the nursing programs, while they are still there and still strong, into the types of programs that John Salesses mentioned, many more management, international, accounting and finance. There has been a shift. To what extent that can be directly tied to loan indebtedness, I'm not sure, but I do think that there certainly a great awareness on the part of the student to pay back very substantial loans in a relatively short period of time as well.

I don't want to go into all the details about the student loan program, but I think there are many changes that could be made that would be helpful, such as extending the pay back period and adjusting the way it's collected. You are asking students to pay back a maximum amount as soon as they get out of college, when they

are least payable to pay for it, so I think there needs to be a much greater sensitivity to the student's ability to pay over a longer period of time.

Senator PELL. In that regard, we have been working hard to reduce the consideration of home equity. Mrs. Martinelli, in your family, what has been the effect?

Ms. MARTINELLI. My daughter has chosen education as her major. She also, because of the loan indebtedness, decided to double major with Spanish as a double language. She double majored with Spanish, so she felt one way or another, she would be able to do something if she couldn't do it in education right away, getting a job, she would be able to go into a department where they could use interpreters.

Mr. KURN. Thank you, Senator. The New England Tech offers technical training at the Associate Degree level in many fields that are not otherwise available at other institutions in the State of Rhode Island. If students are turned away because of the crush of that burden, they would have to pay back by taking one of these programs at New England Tech, they would otherwise not be able to have that opportunity. This would not be available at any other institution in the State. Fortunately our enrollments have shown a steady increase, but that rate has begun to slow, so one can draw some inferences from the impact of the burden of loan repayment.

Senator PELL. Thank you very much.

Congressman Reed.

Mr. REED. Thank you, Mr. Chairman. I first would like to thank Mrs. Martinelli for coming here today, and as you spoke, I recalled about 20 years ago when I was growing up in Cranston, and I had parents like you and your husband who were working hard to send children to school. Precisely, we have lost a lot of ground. My father on a custodian's pay and my mother at home, was able to send my, help my brother and sister go to school because there was a Federal Government that was extending loans and grants and university tuitions, frankly, were lower. You have a much harder task but I think you have inspired us to go down and help you with that great task. Thank you for coming today.

Dr. Salesses, would you just briefly elaborate on your comment with respect to the definition of the "independent student." Do you have a sense of what you would like to see in terms of a definition, or changes?

Mr. SALESSES. Congressman, that topic is one that we have discussed a number of times with our people in admissions and financial aid primarily. The difficulty is with some of the technical language in definition. The number of years that the student has been separated from parents, there are students who have, who are relatively young but have been out on their own for a considerable period of time. There are many more students who are military veterans, who have been out much on their own but for one reason or another don't qualify in the way that they should.

It's particularly true, I think, in this day of changing economic problems where single parents now may still be living in the home with their own parents, unable to qualify sufficiently in that way. Recently at the college we had the case of a student who had moved here on a legal immigration status, who was not able to

qualify because there was a variation of 2 weeks in her time here in this country.

A recent survey of our students showed that 35 percent of them declared that they were 23 years or older. There are more and more students then who are, who need this kind of help and I think it's a matter of clarification by definition.

Mr. REED. I wonder if any other panelists have any thoughts on this issue? I would just like to conclude, Mr. Chairman, I have had the opportunity over the last several months to visit Rhode Island College and talk to the Upward Bound Program and PEP program and CCRI, speak to Dr. Silvestre and his colleagues, and of course a long association with Dr. McKenna and the colleges he represents, and similarly with New England Tech, we are very fortunate here in Rhode Island to have such find educational institutions committed to quality education for all Rhode Islanders, and it's our task to take their example and translate it to a real, tangible contribution to the Federal Government for the benefit of all our people.

Senator PELL. Congresswoman Lowey.

Ms. LOWEY. Thank you, Senator, and I too want to thank the panel and particularly Dr. McKenna. I agree with you a hundred percent that if we are going to continue to have loans, we can't saddle these youngsters upon graduation, we've got to extend the pay back period and I know there are certain unanimity here, and certainly back in Washington, and I'm hoping we can move to reauthorization to accomplish that important goal and certainly Ms. Martinelli, I want to thank you for your testimony, you have no reason to be nervous. I just want to tell you how very important your testimony is. You are looking at three members of Congress who totally are in agreement but we have to work together to convince a majority of the 435 others and the administration. If you look at the administration budget the doesn't reflect the rhetoric. What I think we have to do is move the rhetoric toward results, because we are really counterproductive in our society in talking about being competitive and talking about moving toward an international economy, if we don't have the means and commitment to education our youngsters, so that your family is replicated throughout the Nation, and I know that Congressman Reed and I and the House and Senator Pell would like to continue to work with you so that we can come back a year from now and make it easier for a family like yours to fulfill their potential and I want thank the entire panel.

Senator PELL. Thank you. You are so correct, I saw words, the headline article yesterday "Alexander Returns Education to the Front Burner," and we want to be very sure that that really occurs. Thank you very much indeed for being with us, Dr. Salesses, Dr. Silvestre, Dr. McKenna, Mrs. Martinelli, and Mr. Kurn.

We now come to our third panel, Dr. Eleanor McMahon, distinguished visiting professor, Taubman Center for Public Policy and American Institutions, Brown University, and Dr. Frank Newman, president of the Education Commission of the States, former president of URI. Mr. Russell Woodward, president of the Rhode Island Association of Student Financial Aid Administrators. We will start out going left to right, Mr. Woodward.

STATEMENTS OF DR. ELEANOR McMAHON, DISTINGUISHED PROFESSOR, TAUBMAN CENTER FOR PUBLIC POLICY AND AMERICAN INSTITUTIONS, BROWN UNIVERSITY, PROVIDENCE, RI; MR. FRANK NEWMAN, PRESIDENT, EDUCATION COMMISSION OF THE STATES, DENVER, CO; RUSSELL A. WOODWARD, PRESIDENT, RHODE ISLAND ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS, WARWICK, RI

Mr. WOODWARD. Senator Pell, Congresswoman Lowey, Congressman Reed, on behalf of the Rhode Island Association of Student Financial Aid Administrators, I thank you for this opportunity to speak before you today.

Rhode Island has a dynamic and committed organization of financial aid professionals, representing 45 institutions of higher education. Individually, and as a unidentified body, we have dedicated ourselves to assisting the students of Rhode Island in their pursuit for post secondary education. Rhode Island is currently in the midst of an economic crisis, sparked by the failure of credit unions and businesses, high unemployment and increasing tax burden. Studies have shown that education beyond the secondary level will be a critical component to the economic recovery of the State and New England region.

However, many of our States potential post secondary students are from lower and middle income households. Without significant Federal assistance, they will not have the resources to attain this type of education. The regional concern is the problem of home equity being used in the congressional methodology asset formulas to determine eligibility for both dependent and independent students. This is of particular interest here in Rhode Island. Our economy has been on a roller coaster ride of boom and bust that has left us over inflated housing values in a depressed market. The value of many homes has been doubled and tripled, increasing the equity, however the possibility of borrowing against that equity is nonexistent for a low income family or unemployed. The asset value of the family is artificially high and an unfair calculation is made using the current methodology.

Other family assets that have been set aside quite possibly for educational purposes are now being used to meet other expenses or being used at a more rapid rate to keep one or more students enrolled in college. The situation is compounded by the number of Rhode Island families that have funds frozen in closed institutions. These funds are no longer available for use to maintain households or to fund educational expenses. The existence of these inaccessible funds produces an artificially high family contribution when calculated in congressional methodology.

Given the current economic situation and the demographics of our State, RIASFAA feels access to post secondary education is in jeopardy. The Association believes that there are three broad areas that the Federal Government must address in the reauthorization. The Federal Government must be the initiator to develop early awareness programs. There needs to be a simplification of the Federal student aid forms in the processing and reauthorization must address the issue of grant/loan imbalance. Early awareness programs already in place, such as the TRIO programs, need to be ex-

panded to disseminate information and provide early outreach to the at-risk populations regarding availability of Federal, State and institutional aid. Sufficient additional resources must be made available to fund these initiatives.

The current application process is itself a barrier to access. The application forms are complex and frequently students and families are required to pay for analysis of their eligibility for aid. The early awareness program I had mentioned will begin to address the need and make the process more accessible by familiarizing students and families with the application.

Beyond that the applications themselves need to be simplified. In the process of reauthorization, we should consider what data elements are really needed to assess eligibility and request only that data on those forms which determine eligibility for Federal aid.

Other concerns are the existence of multiple needs analysis system and burden of overly detailed verification process. The need for multiple needs analysis can be eliminated by allowing financial aid administrators the use of professional judgment and/or special conditions applications. For both the traditional student right out of high school and the nontraditional student returning to post secondary education after a period of absence, the prospect of incurring a large educational debt is acting as a barrier to access. Particularly in the current economic climate, students and families find the increasingly difficult to take on additional debt of the level necessary to fund post secondary education.

Over the last decade, the loan programs have changed from being a supplementary means of funding to being a primary source. They are no longer the means for the middle income family, but rather are a necessity for students and families at every level of need. Emphasis must be placed on funding grant and work programs to reduce loan debt. By increasing the availability and amounts of grant aid, the Pell Grant program would be become then an entitlement allowing the low income access into post secondary education and would reduce the loan burden of middle income students. Reducing the amount of debt incurred cannot but help to reduce the immediate problem with defaulted loans.

Fifteen thousand Rhode Island students were awarded Pell Grants and campus based aid in the amount of $29.8 million for the fiscal year 1988-89. However, for the same fiscal year, 16,000 students received Stafford loans in the amount of $41 million. This would indicate that specifically in the State of Rhode Island, a grant/loan imbalance exists. A way to avoid this imbalance is to reach the at-risk population early enough to promote financial aid programs. Of equal importance the simplification of the application process is necessary to ensure access to all Rhode Island students.

Thank you very much.

Senator PELL. Thank you very much indeed.

Dr. Newman.

Mr. NEWMAN. I think Dr. McMahon wants to go first. She's afraid I'll muddy the waters.

Senator PELL. I would add my public tribute to you for what you have contributed to the cause of education for many years.

Ms. MCMAHON. Thank you. I had an excellent role model in Senator Pell, and I would like to thank Senator Pell, Representative Reed and Representative Lowey for the opportunity to be here and for the leadership you have exercised and you continue to exercise on behalf of higher education.

The focus of my remarks will be on the importance of higher education, not only to the future of the individuals involved but also to the future of our Nation and the particular needs of women and minorities for full participation in higher education through the graduate level. The data on the American work force are well-known and have been presented cogently this morning. Let me just highlight a few facts of particular relevance to the topic before us.

As the United States Department of Labor has reported, the work force will grow slowly and become more female over the next decade. Obviously an advantage. In contrast, 85 percent of the new entrants to the labor force will be women and minorities. Further, the great majority of new positions available will demand, as has already been said, much higher skill levels than do the skills of today. As Mr. Frank Levy, who is a Professor of Economics at the University of Maryland and was visiting here at Brown last year, has noted these changes will be occurring at a time with United States completes its transition to a postindustrial society. In this society, good jobs will require increasing levels of skill. It is therefore particularly important that t he education and resultant skill levels of women and minorities be expanded significantly.

I should like to look first and primarily at the work force situation as it relates to women. By the year 2000, 20 million new workers will be added to the American work force and women will comprise two out of three of these new entrants.

The nature of the challenge to expand the graduate education of women is most dramatically reflected in academia itself, which in turn exercises the greatest influence over every high-skilled area, whether it's engineering or medicine. Within academia the major challenge of the 1990's and beyond is the fact that the demand for new college and university faculty will rise much faster than the supply. That demand will be triggered by the retirement in the 1990's of the large number of faculty hired in the 1960's, a good proportion of whom were educated through the G.I. Bill.

This forecast of major faculty shortage has both a supply and demand side. In terms of the latter, replacement demand is forecast as amounting to 180,000 new faculty in the second half the 1990's and an additional 160,000 between the year 2000 and 2004. These 340,000 new faculty members number approximately 75 percent of the current full-time faculty in the United States. The market is projected to begin to tighten in 1992 and to become most intense between 1997 and the year 2002.

In terms of the supply side, without well directed intervention, there is little indication of the possibility of rapid turn around given the present cost of graduate education, the time taken to earn a doctorate, and what is perceived as the modest reward structure of the professorate.

Given that demography, it is obviously critical that women qualify in significant numbers for faculty positions over the next decade. On the plus side is the number of degrees awarded to

women continues to grow at all levels. Women now number approximately 51 percent of those who received baccalaureate degrees and approximately the same percentage of those who receive masters degrees. However, although the number has increased substantially since 1975, women account for only one third of those who receive doctorates.

The picture is even less promising when one looks at particular degree areas. Right now, for example, the doctorates earned by women are largely in the fields of education, foreign language, health sciences, library, public affairs and the humanities. But clearly the greatest opportunity would be, for the most part, is in those academic areas which are most foreign to women. Specifically, while it is appears there will be a strong faculty demand in the humanities, significantly more intense demand is projected in fields of study in which women are most markedly under-represented, namely the physical sciences, biological sciences, mathematics and electrical engineering. Women's participation in all of these areas, except for the physical sciences, is increasing but not a rate sufficient to demand.

In addition, we have to keep in mind that the base is very low. For example, in the survey through 1985, it was found that seven percent of engineers in the United States were women, eight percent are physicists, 21 percent chemists, and we could repeat those data in other fields which are projected to be high demand. The number of women coming through the pipeline in these fields, except again in the physical sciences, is increasing, but it is increasing at a insufficient rate. In general, this under-representation is particularly serious because it occurs in the areas of greatest opportunity at the same time that women will be entering the labor force and increasing numbers.

Now, the question is what can be done to accelerate the participation of women in high demand areas. Behind pipeline support, the undergraduate level, which has already been ad dressed very cogently here this morning, and which can take a variety of forms, expansion of grants and loans, mentoring programs, effective transfer policies and so on, two major possibilities a t the graduate level are the expansion of fellowships and financial aid and the acceleration of the average time of 7 years of registered graduate study that it takes to earn a doctorate.

Now, these two possibilities are interrelated. The time taken to complete a doctorate could be significantly reduced by significantly expanded financial support. Graduate students were required, for example, to engage in employment outside of the graduate assistantship and so on, so the time for the doctorate could certainly be reduced.

In summary then, the problem of graduate education for women is primarily a problem of policy, rather than of numbers. There will be significant numbers of women in the work force. There are clear signs that with adequate support as they come through the pipeline, they will increase and move into areas of projected high demand, but there is also clear evidence that right now the width of the pipeline is narrowing as the degree level increases. It's therefore critical both to academia and to business and industry that the pipeline for women be expanded at advanced degree levels,

and this can be done largely through a national policy of increased financial aid.

All that I have said about women is applicable to minorities and I won't repeat the evidence that's already been presented, except to say that early in the next century one third of all college age students in the United States will be minorities. The major subpopulations in the minority category are Black, Hispanics and Asians, and the first two are significantly over-represented in high school dropouts and significantly under-represented among college graduates and among graduate students and recipients of graduate degrees. The problem of minority under-enrollment is also a pipeline program, although of a somewhat different nature and greater intensity than that of women.

In summary then, increases in student aid in the form of undergraduate Pell Grants, title IX projects, and graduate assistantships, also title IX, would significantly expand the access of women and minorities to 4-year institutions at both the baccalaureate and graduate levels. To get some sense of the inadequate support that's been given to graduates, to the graduate level, it if one looks at the total amount of dollars available to, from the Federal level, for graduate assistantships, it's something in the nature, in the domain of $100 million. I saw a more recent statistic that said it was about $60 million for 1991. That's about one half of one percent of the total amount of aid available at the undergraduate level, so that obviously there's a need to significantly expand Federal support for the graduate level. To do that, would be a major step forward in addressing the critical national need for well educated and highly skilled work force as we enter the 21st century. In a nutshell, what is needed in the 1990's, in addition to expanded undergraduate aid is a graduate level G.I. Bill. Thank you very much.

[The prepared statement of Ms. McMahon follows:]

Prepared Statement of Ms. McMahon

Good morning Senator Pell, Congressman Reed and members of the panel. I am pleased to be able to come before you today to offer testimony related to the reauthorization of the Higher Education Act of 1965. The focus of my remarks will be on the importance of higher education not only to the future of the individuals involved but also to the future of our Nation and the particular needs of women and minorities for full participation in higher education through the graduate level. My interest and background in these areas is related to my present position as Distinguished Visiting Professor at the A. Alfred Taubman Center for Public Policy at Brown University and previous positions as Commissioner of Higher Education in Rhode Island, as co-chair of the ECS Committee on Minority Teachers, and as chair of the Brown University Corporation Committee on Graduate Education.

The data on the American workforce are well known. Let me just highlight a few facts of particular relevance to the topic before us. As the United States Department of Labor has reported, the workforce will grow slowly and become more female over the next decade. Specifically, only 15 percent of the entrants to the labor force over the next 13 years will be native white males compared to 47 percent in that category today. In contrast, 85 percent of the new entrants to the labor force will be women and minorities. Further, the great majority of new positions available will demand much higher skill levels than do the jobs of today. As pointed out by Mr. Frank Levy, Professor of Economics at the University of Maryland, and recently a Visiting Professor at the Taubman Center, "these changes will be occurring at a time when the U.S. completes its transition to a post-industrial society. In this society good jobs will require increasing levels of skill." It is therefore particularly

important that the education and resultant skill levels of women and minorities be expanded significantly.

I should like to look first at the workforce situation as it relates to women. By the year 2000, 20 million new workers will be added to the American workforce and women will comprise 2 out of 3 of these new entrants. Further, three-fifths of all women over the age of 16 will be at work in the year 2000.

The nature of the challenge to expand the graduate education of women is most dramatically reflected in academia itself. A major challenge of the 1990s and beyond is the fact that the demand for new college and university faculty will rise much faster than the supply. That demand will be triggered by the retirement in the 1990's of the large number of faculty hired in the 1960's and by a modest reversal anticipated to begin around 1994 in the present downtrend of college-age students. This forecast of major faculty shortages has both a supply and a demand side. In terms of the latter, replacement demand is forecast as amounting to 180,000 new faculty in the second half of the 1990's and an additional 160,000 between the year 2000 and 2004. These 340,000 new faculty number approximately 75 percent of the current full-time faculty in the United States. The market is projected to begin to tighten in 1992 and to become most intense between 1997 and 2002. In terms of the supply side, without well-directed intervention there is little indication of the possibility of rapid turn-around given the present cost of graduate education, the time taken to earn a doctorate, and what is perceived as the modest reward structure of the professoriate.

Given the demography which I have already cited, it is obviously critical that women qualify in significant numbers for faculty positions over the next decade. On the plus side is the fact that the number of degrees awarded to women continues to grow at all levels. Women now number approximately 51 percent of those who receive baccalaureate degrees and approximately the same percentage of those who receive masters degrees. However, although the number has increased substantially since 1975, women account for only one-third of those who receive doctorates. The picture is even less promising when one looks at particular degree areas. Right now, for example, the doctorates earned by women are largely in the fields of education, foreign languages, health sciences, library, public affairs, and the humanities, but clearly, the greatest opportunities will be, for the most part, in those academic areas which are most foreign to women. Specifically, while it appears there will be strong faculty demand in the humanities, significantly more intense demand is projected in the fields of study in which women are most markedly under-represented, namely, the physical sciences, the biological sciences, mathematics, and electrical engineering. Women's participation in all of these areas, except for the physical sciences, is increasing but not at a rate sufficient to meet the demand. The number of women coming through the pipeline in these fields (except, again, in the physical sciences) is also increasing but, again, at an insufficient rate. In general, this under-representation is particularly serious because it occurs in the areas of greatest opportunity' at the same time that women will be entering the labor force in increasing numbers.

What can be done to accelerate the participation of women in high demand fields? Beyond pipeline support at the undergraduate level which I have already mentioned and which can take a variety of forms (e.g., expansion of grants and loans, mentoring programs, effective transfer policies, etc.), the two major possibilities at the graduate level are the expansion of fellowship and financial aid and acceleration of the average time of 7 years of registered graduate study taken to complete a doctorate. Obviously these two possibilities are interrelated: the time taken to complete a doctorate could be significantly reduced by significantly expanded financial support.

In summary, the problem of graduate education for women is more a problem of policy rather than of numbers. There will be significant numbers of women in the workforce; there are clear signs that with adequate support as they come through the pipeline they will increasingly move into areas of projected high demand; but there is also clear evidence that right now the width of the pipeline is narrowing as degree levels increase. It is therefore critical both to academia and to business and industry that the pipeline for women be expanded at advanced degree levels, and this can be done largely through a national policy of increased financial aid.

All that I have said about women is applicable to minorities. The size of the college going population in the United States, both traditional age and older, will be smaller and an increasing portion of that population will be comprised of minorities and disadvantaged. Following the boom years of the 1950's through the 1970's, there has been a national reduction in the college-age population: the pool of 18-year-olds is shrinking. The peak year was 1979 with a college-age population of 4.3M which will decline by 20 to 3.2M in 1994. And within this smaller pool, dramatic changes

are occurring: without going into great detail, suffice it to say that early in the next century, one-third of all college-age students in the United States will be minorities. The major subpopulations in the minority category are Black, Hispanics, and Asians, and the first two are significantly over-represented in high school dropouts and significantly under-represented among college graduates and among graduate students and recipients of graduate degrees.

The problem of minority underenrollment, then, is also a pipeline problem; although of a somewhat different nature and of greater intensity than that of women. Specifically insufficient numbers of minorities complete a college program at the secondary level. On the other hand, minorities are quite well represented in community colleges, although not in 4-year institutions. It is the opinion of most experts in the field that this is a result of both inadequate transfer policies and of insufficient student aid for minorities who are disproportionately disadvantaged. Further, the minority teacher shortage and the minority faculty shortage are in large measure extended pipeline problems and for the minority population an even more intense graduate level financial aid problem than for the non-minority population.

In summary, increases in student aid in the form under-graduate grants and graduate assistantships would significantly expand the access of women and minorities to 4-year institutions at both the baccalaureate, and graduate levels. This in turn would be major step forward in addressing the critical national need for a well-educated and highly skilled work force as we enter the 21st Century.

Senator PELL. Thank you very much indeed.

Dr. Newman.

Mr. NEWMAN. It is a privilege to be here. It is a pleasure to meet Congresswoman Lowey, since I had grown up as a child in school in her district, and it was much less well represented then and I was forced when I graduated to leave to find someplace with better representation, and of course came here to Brown as a result, and I'm delighted it has improved so much. Things are much better today.

This is going to be an arduous time, both for the United States and higher education. It's worth asking, as a result, how we can accelerate the changes that are going to be needed in education to achieve the purposes we need. I think we need to realize that the demand for greater knowledge and skills on the part of the graduates means we must change the way the higher education system operates. It's currently operating, if I can exaggerate just a bit to make a point, on a basis of providing opportunity for people as opposed to results. The kind of way we look at it is to say we gave them a chance for an education rather than asking is it producing, is the system operating in a way that it produces the results we need for the 1990's and beyond, and particularly for the next century.

It is not enough to graduate, a million people a year do graduate, but we have to think about students knowing, or the college student graduates knowing, being more thoughtful, being able to reason in new ways, being analytical, creative, this is a country that lives by its wits. We no longer live by low-cost production, we need the right to speak, being familiar with math and science. More than half the students graduate from universities without the adequate ability to reason in mathematics and science and above all, being prepared to be responsible citizens.

As you pointed out, Senator, we are also increasingly multicultured. In 1980's we gained, as you mentioned, at the elementary and secondary level, in narrowing the gap for minorities, but we lost, and we need to encourage the various things, all various things that we talked about before must be done in order to bring about a reversal of that trend. Not only that, but over the next few

years we are going to be in a period of constrained resources, not only the Federal Government but particularly these days in the States, so we are going to have to learn to do all this. But maximizing the effectiveness of education is not just a matter of doing it, we have got to do it with I think increasingly effective means.

Most of what has been said I am in strong agreement. Children's Crusade, early identification programs such as TRIO, but I would like to propose some different ideas. Different, and I might say, unproven ideas. First a couple of underlying points.

One is that what the Federal Government does has educational not just financial goals. As has been pointed out, there is a big difference between grants and loans, and it has an influence not only on whether the student goes to college or what the student studies. In fact, a few years ago we set out to try and measure that, and it's hard to do, but it is true it effects whether they go and what the student studies, but certainly effects whether they graduate, whether they go on to graduate school, what their attitude is toward their civic responsibility, so it is not a financial question, it's an educational question first and foremost, as well.

The second point I would make, there needs to be an emphasis on teaching at the universities. We have been drifting for some years in a direction in which there is over time, more and more emphasis on publication, and the emphasis, the focus on teaching has been diminishing. That's a climate that affects all of higher education, most pronounced in the research universities, but the strength of that influence affects the climate of all higher education.

One of the hopeful signs that I think is very encouraging is that the presidents of some of the major research universities have begun to speak out—Michigan, Minnesota, Cornell, or here at Brown—Brown has been, I think, a major leader in the willingness to face the fact that as a research institution, it still has a major obligation as a teaching institution and to create new programs to effect that. I think the most significant is at Stanford where the president has proposed an imaginative series of steps to restore teaching, in his words, to "first along our labors." That will be no easy task. The Stanford moves have sent a clear signal that has already happened a positive and beneficial effect, because when the research university tends to do something like that, it has a influence out across the whole of the educational landscape.

My argument is that Federal policy ought to reword institutions when they have success with their students, and the drift of what I want to argue, the drift is away from teaching, and think, it's not because people are ill intentioned or anything, it's because the rewards in which the Federal Government's major influence in establishing those awards tend to create prestige for research and publication. What is lacking is a comparable set of incentives for teaching.

Third, external policy does make a difference. It makes a powerful difference. In fact, in all of the major reform in higher education, the most important factor has been external and in fact federally influenced. Federal funding is often modest compared to the total amount being spent, but it's very effective at leveraging the system.

Well, here at least are four ideas, and the testimony I've written there's six, but I'll shorten them to focus on the four. One of the ones I won't say anything further about is the fact that the Federal Government should increasingly act as a partner with the States. I think the student aid program is proof that the Federal Government can influence the States in a very potent and powerful way. Here are the four suggestions:

One, create a fund for competitive grants that, modeled on the nature of competitive grants and research that have so influenced the success of American universities. Remember, until the Federal competitive research grants, American universities were not in the forefront of research. They now are in the forefront of research in everything, but compete, establish a major fund for competitive grants that encourage faculty and the institutions to focus on the improvement of teaching and learning. I think it can help enormously to change the sort of pecking order that has developed in which the research universities at the top and the more research you do, the more publication and the less teaching you do.

I think the logical way to do this is to expand FIPSE. Past evaluations of FIPSE demonstrate that it has been, that the approach has been very effective, it's just that it's so small. My rough guess is to have a real impact, that would change attention of the higher education, would take about a half of one percent of educational budgets of universities and colleges in the country. That would be a fund something on the order of $250 million FIPSE and a matching amount of the States would be about a $500 million fund. That will take a little time to scale the grant, but I think that will have a profound, permanent effect. I think it would be much better over time if it got somewhere on the order of one percent, then you would be talking about a billion dollars overall. So that some part of an institution's money would come in a competitive way, because they demonstrated they were effective at teaching undergraduates.

One of the big advantages of this kind of approach, which is proven true both at FIPSE and in the research field, is that the Federal Government by developing appropriate guidelines can encourage institutions to address the kinds of problems we have been talking about here; effect of education of minorities, need for greater diversity in faculty, school/college collaboration, community and community service learning, without any mandates. In other words, you don't tell them you must do this, you simply says here's what we are giving in grants.

The second point I would make for a recommendation, I think it is worth considering expanding the requirements for institutions reporting the progress of their students and the nature of undergraduate instruction, including such things as the rates of graduation, time to graduation, enrollment and performance by ethnic group, number of minority faculty, percent of freshman and sophomore courses taught by the regular faculty, etc. The recent debate over the NCAA and the number of athletes graduating is an interesting example. The terrific thing coming out as a result of the information coming out about athletes' graduation rates, and of course coaches are now beginning to say things like, these figures are unfair, they don't take into account some of the programs that are just established, and you and I know what they have done, be-

cause the figures show a bad thing at their institution, they have run around and established a program, and that's exactly what the Federal Government wants to happen. Of course the Federal Government has already started on this track with several long lists in this and distant other fields of providing assurance that the consumer, in this case the student and the family, gets the information they need. New Mexico and West Virginia recently just passed report card laws of this kind and in fact already having an effect in those States.

The third point I would encourage is expanding the incentives for students to participate in community service. Students need to develop from the start a habit of civic concern and involvement. The Federal Government over the years has always had a long history of this, you know, Senator Pell, since you have been on the Committee. Community service is a way to accomplish another thing, as well as an understanding of one's civic responsibility, and that is it's a way of rekindling the students' interest in learning. Most students are much more interested in learning about something that is not abstract but real and community services are a real situation. Not all students have to learn in the abstract, but community service ought to be coupled with the reflective component so that one doesn't simply mentor or serve in a soup kitchen, but rather one begins to ask why is this happening; how does public policy include this; what would I do if I were a Congressman worried about homelessness, or the amount of teenage pregnancy.

The Congress has already created a small fund within FIPSE, as well as certain student aid incentives, but I think there is some other things and I list them in the testimony, which I think you have begun to continue to deepen the commitment to community service as a part of every student's natural growing up period.

Finally, I think it would be worth thinking about creating a national student savings bank. The issue of about how to help students and their families finance their college education must be obvious from this discussion today is a crisis. It's a terrible thing to think of this student graduating with $17,000 of loans but certainly doesn't help to think their family has $20,000 of loans beyond that. We worked hard when our three sons went through college to try to keep those loans to a minimum, and we came fairly close to that number, and of course we were fortunate to have more resources than most, but when they had graduate, we set up a little fund to help pay those off. But remember, it's not just that, as Dr. McMahon pointed out. Students need to go on to graduate school as well, and if you have $17,000 or $10,000 of loans, students are very concerned about going further, and they are concerned about piling up loans for their parents. We have a son in graduate school whose big question about going was he didn't want to get anymore loans and he above all didn't want us to have loans.

Well, one way to do it might be to think about creating a national bank for students and every student, every child nowadays gets a Social Security number. At that point the Federal Government will put a small amount, say $200 for those below certain income levels into that. States might be encouraged by a Federal matching to put in the same amount.

As the student grows, parents, grandparents—I think the grandparents are really the likely ones to put in money and keep building an amount that would remain tax free until it was used for tuition. When a student gets up to the point where they are able to take their first jobs, many of the employers today already are already willing and demonstrated to provide small added supplements. For example, the fast food restaurants, McDonald's, have been willing to provide scholarship money for people who are effective employees. Well, they can put those scholarship moneys in a bank, let it continue to grow and have them invested centrally, something like TIAA until the student is ready for college. We need knew ways of thinking about this, because the current ways we are going, are going to bankrupt both the private institutions of higher education and the families of students.

Well, these are four ideas that might at least spark some new ideas. I remind you that they are unproven, we haven't worked out all the details, but it does seem this is a period of time where higher education has never been as important, where the country is going to be put on its pedestal to remain a leader in the world and it's only with that fact that it's going to be successful, so it is worth thinking about some new and more imaginative ideas.

[The prepared statement of Mr. Newman follows:]

PREPARED STATEMENT OF MR. NEWMAN

I appreciate the chance to testify on the reauthorization of the Higher Education Act. This is an unusual and important time for all of education in the United States and certainly for higher education. There is a strong feeling that how well we do in improving our system of education will determine how well the United States does as a leader in the world.

As a result, I would like to ask your indulgence for a somewhat different approach to my testimony. You have heard, and will hear, a great deal about the details of the existing provisions of the law. These are important. I would like to focus on some new and different ideas—ideas that are only partly explored, but ideas that might set the discussion off in some new and useful directions.

It might be helpful to start by suggesting some principles that might help us rethink what Federal policy could hope to accomplish. I would suggest the following:

1. Every proposal should be considered in terms of the effect on the development and the education of students. All policies have educational effects—intended or unintended. Whether we provide a student with a loan or a Pell Grant is as much an educational, as a financial, issue.

2. The world ahead requires a better and a different education than the world behind. Both the demands of citizenship in an increasingly complex world and the demands of the workforce in an increasingly competitive international economy mean that our expectations must rise. American universities and colleges are arguably the best in the world, but students need to know more, be versed in mathematics and science, be able to reason and analyze, be creative, write effectively, and be responsible participating citizens of the democracy. During the 1980's, despite the gains at the elementary and secondary levels, universities and colleges lost ground in terms of minority enrollments and achievement. There is an unfortunate tendency within the academic community, because of its success to date, to ignore the need for greater skills on the part of its graduates.

3. We need a new and more creative emphasis on teaching. Universities and colleges have been drifting toward more emphasis on publishing, less on teaching. Scholarship and publishing are essential but so is teaching; they are not only compatible, but should enhance each other. This drift is far more pronounced at the research universities than it is at those regional universities, liberal arts colleges, and community colleges that focus more on teaching. Because of the prestige of the research universities, however, the trend has been spreading more broadly throughout higher education.

One of the hopeful signs is that some of the research universities—Michigan, Minnesota, Cornell and Brown, for example—have indicated their concern to develop a better balance. The most significant and courageous case is Stanford, where the president has proposed an imaginative series of steps to restore teaching, in his words, to "first among our labors." The Stanford moves have sent a clear signal that has already had a salutary effect in raising the issue right across the higher education landscape. Federal policy should help reward institutions for student success. The drift away from thinking about teaching comes about not because of evil intention or greed or indifference. Rather, it is a result of the gradual development of rewards for institutions and for faculty that favor publication. Remember, that prestige of our universities in research is the result of a deliberate Federal policy. What is lacking is a comparable set of incentives for teaching.

4. External policies, and particularly Federal policies, can make and has made a difference. In fact, most of the significant changes of the post World War II have come from Federal action—the G.I. Bill, the development of federally sponsored research grants, the civil rights legislation, Federal student aid, etc. But, over time, there has been an accumulation of policies and a drift in their direction (e.g., a huge growth in student loans) so that it is less clear what purposes the policies are intended to serve. There is a need to review, simplify, and reshape Federal policy. In addition, it will help to think about the cumulative effect of all Federal policy, including military, science, vocational, and training policy—not just education policies—even though they are not included in the Act.

5. Federal policy, using relatively small amounts of dollars at the margin can influence how others act. The most important partners to influence are the States and the institutions themselves.

6. Not only the quality of higher education is important, so is its efficiency. We are in a new world of constrained resources—both at the Federal and State level—which is likely to be with us for a while. Policies should encourage both the quality and efficiency of higher education.

With these principles as a backdrop, let me put forward some specific policy ideas. (Again, let me remind you that they are just that—ideas.)

1. Deepen the partnership with the States. The SSIG program has demonstrated that small amounts of Federal money can have a powerful effect. Also, because the Federal matching is further removed from local political influences, the Federal matching requirement gives the program the continuity over time necessary to achieve results. The SSIG program has now achieved its original purpose of helping create State student aid programs and that funding could be applied to new objectives. Some examples follow.

2. Create a fund for competitive grants that encourage a faculty and institutional focus on the improvement of teaching and learning. The federal competitive grant programs in the field of research transformed the universities by providing the resources, creating a national measure of success, and ultimately creating a widely shared pecking order of prestige that refocused the attention of the academy. The logical way to accomplish a renewed incentive for a focus on teaching would be a major expansion of FIPSE with a requirement for state matching. The past evaluations of FIPSE demonstrate that the competitive grant approach, even with small amounts of funding, works—but the overall scope is too small.

My rough guess is that to make a significant difference such competitive grant funding needs to be in the order of a half percent of the general educational funds of the universities and colleges (or about 100 billion dollars a year or about 500 million dollars for a fund which would mean a budget of approximately 250 million dollars for FIPSE). Over a decade or so, once the concept proves itself, this number probably should move up toward 1 percent so that a small but profoundly significant share of the resources will flow to colleges and universities as a result of a determination to improve the impact of undergraduate education. The critical requirement is that the funding be significant enough to reshape the reward structure of the faculty—the incentives, the prestige of getting a grant, etc.

One of the advantages of this approach is that, by developing the appropriate guidelines, the federal government can encourage institutions to address critical issues such as the focus on proven modes of improving undergraduate education, minority achievement, the need for greater diversity on faculties, school/college collaboration, and the connection between community service and learning—without any mandates.

3. Expand the requirement for institutions reporting the progress of their students and the nature of the undergraduate instruction, including such factors as rates of graduation, time to graduation, enrollment and performance by ethnic groups, the numbers of minority faculty, the percent of freshman and sophomore

courses taught by regular faculty, etc. The recent debate about the graduation rates of athletes reminds us how potent a tool this is. It is also a traditional federal role—insuring the consumer's ability to know and understand. The federal government already has a start through the Student Right to Know and the Campus Security Acts. New Mexico and West Virginia have recently passed such report card laws which can serve as models.

4. Expand the incentives for students to participate in community service. Students need to develop the habit of civic concern and involvement. That in itself is an important reason for expanding Community service. Beyond this, most students are far more interested in learning that connects to real life experiences. Only a small share of students learn well from lectures or from a continuously abstract mode. Community service is a way to accomplish a renewed interest in learning—if there is a faculty-led reflective component to the service—while at the same time accomplishing badly needed public service. The Congress has already created a small fund within FIPSE as well as certain student aid incentives, but there are further incentives which are possible. The current FIPSE community service fund and the Student Literacy Corps might be combined to provide a larger funding base for a number of additional community service programs, including a student mentoring corps, projects that are student-initiated, projects that integrate service and academic study, a research program on the effects of community service, and international service projects.

Although changes have been made in the college work study program and SSIG to encourage the use of these funds to support students' work in the community, few institutions or states use college work study or SSIG funds for this purpose. A set aside of 10 of an institution's allocation of college work study funds and in SSIG funding to support students' off-campus community service would test the viability of this concept.

5. Establish a set of national goals for higher education that match with the new goals set by the governors and the President. For all the difficulty of transforming such goals into action, they have already stimulated a major debate about what students should know and be able to do as well as how to measure progress. It is more difficult to set such goals for students in higher education because of the enormous range of students' interests and abilities, but it is hardly impossible. Such goals can also serve as a needed reminder that the outcomes of a student's college education must continue to change because the nature of the society continues to change.

6. Create a national student savings bank. The issue of how to help students and their families finance a college education has become a crisis. There isn't enough student aid—too much is in the form of loans. Private colleges are seeing their budgets diverted into student assistance. A potential long-term solution is to create a national bank that creates an account for each child at age two, providing a small grant (perhaps $100) that would be matched by the state. The funds would be invested centrally in an agency something like TIAA, and grow on a tax-free basis. Parents and grandparents could add to the fund. As the student gets older, employers could add to the student's account as a supplement to their pay (some already provide the equivalent in the form of scholarship funds). States, the federal government, local communities, or other funders could provide payments to a student's account for the performance of community service. States, or foundations, or communities might choose to provide incentives this way to disadvantaged students' accounts to encourage them to aspire to college, something like the "I Have A Dream Foundation" (New York and Rhode Island already have such programs). Over 16 years, even small amounts will grow enough to be of help. Of course, in addition to providing student aid, such a bank would become a major source of savings and, consequently, investment funds.

These, at least, are some ideas. All need analysis and development. The biggest challenge is something tougher than developing these ideas further—it is opening the minds of the public and the academy to some new ideas.

Senator PELL. Thank you very much indeed. Just pursuing this for a moment, basically the four points that you suggest, fund for competitive growth, report to students, expand the community service, and the national student savings bank, they are all new ideas, good ideas and many deserve thought. I would like to ask one question in connection with the student savings bank. Should that be open to all students regardless of income, or limited only to those students who pass the eligibility test.

Mr. NEWMAN. I would open it to all students, but I would add whatever government contribution there was to it, be only to students below certain income, means, so that, for example, my son might not be eligible to get a contribution from the State or Federal Government to start off the fund, but my family and I could put money in there and help that student to be ready for college. Remember, even if you take a family that has a family income of $60,000, $70,000 or $80,000 a year, I might not have enough money to go to Brown University. It's a tough, tough task, and much better that we pile it up in advance than pay it off as loans. One of the things that we have been saying, there's too much consumer credit in this country and not enough investment, and we say that over and over and over again. In fact, Federal policy is forcing us in the direction of loan and away from investment capital.

Senator PELL. What you are suggesting here with the bank is a little bit like the woman who wants to get an operation and puts her blood in advance because she is sure of her blood and not of somebody else's.

Mr. NEWMAN. If we did this properly, if you think of the huge investment that was there, so that when your son or daughter was prepared to go to college, they would have the fund. It might be one student would say, well I'm anxious to go to graduate school, I am going to try and use this fund very sparingly as an undergraduate and work so there's plenty left over for college; another might choose to go to Princeton and waste it away.

Ms. MCMAHON. Or Stanford.

Senator PELL. But, could this be done on a State level if we couldn't get the Federal Government to do it?

Mr. NEWMAN. Yes.

Senator PELL. Then if it was successful, we could get one State, let's say Rhode Island to do it, then it might spread.

Mr. NEWMAN. There is one disadvantage at the State level. In fact, several States started down this path and we held a conference for them right after. Michigan had a someone different version and had the disadvantage of what they did was to promise the student tuition at the institutions. There is a major disadvantage with that. One of the difficulties of a State doing that is that people are so mobile, so that if we are, for example, starting one in Rhode Island, we don't know where the student is going to end up and we shouldn't. One of the things that was wrong with Michigan is that it guaranteed them tuition at the Michigan institutions of higher education. A student might grow up in Michigan and then become enlightened as the years went on and decided they wanted to go to the University of Rhode Island and under the Michigan plan, they would find this very difficult, so there is a need for that kind of flexibility. It would work much, much better to have it State matched with the Federal umbrella.

Senator PELL. From a political viewpoint, how can we achieve that in the next very few years, on the Federal level?

Mr. NEWMAN. We might get the governors, if the governors were to come to the Federal Government saying we are willing to do it at the State level, if the Federal Government would cooperate with us.

Senator PELL. Dr. McMahon.

Ms. MCMAHON. I always reinforce what Frank says, I've done that over the years.

Mr. NEWMAN. Except when she was Commissioner and I was president.

Ms. MCMAHON. I think that there's an indication in terms of the Rhode Island college and university savings plan of the kind of interest parents have. The first year we initiated that, we anticipated that if we sold face value bonds of $60 million, we would do extraordinarily well. That was based on what had happened in Illinois, for example, and the proportion of population here as compared. We sold $95 million worth of bonds in the first round, so I would strongly support Frank's proposition.

I think one of the things that you might explore, and I agree with Frank, I think the Michigan plan has significant problems. In contrast, I think to the Illinois plan is very sound, completely portable, portable to any kind of institution, public or private. It might be that if it isn't feasible at the Federal level right now, a thing to be explored would be the NGA, would be the development of compacts in regions where there could be an exchange of the advantage across States.

Mr. NEWMAN. There might be a need for some Federal policy that helps develop it, as there was in the State plans about the question of taxability over time.

Senator PELL. I must say we hear about the vast loans these youngsters have received. I remember having one witness once who was a medical student and his loans amounted to about a hundred thousand dollars and he was marrying a young woman with the same thing, $200,000 starting out life. You can see why doctors are always criticized for the position in which they find themselves and the fees they sometimes have to charge.

Mr. NEWMAN. Can I comment on that? I think one of the very negative things about that, if you and your spouse are starting out with $200,000 of debt, when someone says to you—and we tried this on a series of medical students, we asked this question, when someone says to you, Mr. Pell, don't you believe you have an obligation to serve poor people, rural people and other things like that, your reaction is one of anger, not support. You feel deeply burdened by that $200,000 and you are angry about it. That's the worse kind of change we could get.

Senator PELL. I would concur. Another question to Dr. McMahon, and that is a great number of students who complete their doctoral course work do not do their thesis. In Europe they would confer a Ph.D. ST, Doctor of Philosophy sans thesis. I was curious what the reason was that so many graduate students don't follow through with their thesis.

Ms. MCMAHON. I think one of the problems and one of the major factors is the time that it takes to complete the degree. People just get burned out both academically and financially, and when I said the average time post baccalaureate is—registered graduate student is 7 years, the average time post baccalaureate is 10 years, so many students who don't have the advantage of tuition, paid tuition, reimbursed tuition and graduate assistantships have to do other work in addition to their graduate work and as a result, it just becomes so elongated that they cannot finish.

Senator PELL. Maybe we should recognize as they do in Europe, Ph.D. ST, Ph.D. WT, without thesis.

Ms. MCMAHON. I would rather have us go the route of expanding the graduate programs.

Senator PELL. I would like to ask Mr. Woodward, you mentioned that loans have become a barrier to access in Rhode Island, in our own State, because of the economic situation, the depression we are in now. Could you elaborate on that a little bit? I realize it's a depression, not a recession.

Mr. WOODWARD. The emphasis is that the loan for the middle class student to help finance the education has switched to a necessity now where a student must take a loan. It's packaged in by financial aid officers to meet the needs of a student and can be deemed as one that persuades a student from entering school. A student that has never attended school and a student whose family has not attended school is faced with a burden of a loan for the first time.

Senator PELL. Congressman Reed.

Mr. REED. Thank you, Mr. Chairman. I have a few specific questions and then because of the expansive nature of your testimony, maybe some more philosophical questions. Dr. Newman, we have tried in the past, I think, very directly at the Federal level to encourage savings for education, an example is savings bonds, which there is a tax subsidy and again two decades ago when I was contemplating education, my parents were talking about savings bonds and giving them at Christmas to build up savings. What would be the difference, or maybe another way, why doesn't that sort of amorphous program work, or do we need something like the student savings bank.

Mr. NEWMAN. One of the troubles I think all of us know, we should save and all of us know we should save for the education of our children, but when your children are born, there is a lot going on your life, as you know, and before long you can't believe it but all of a sudden, there they are going off to college, "Dad, I am going to need a little bit of a check." I think the experience has been that whenever we have an organized program, as opposed to totally your initiative, when there is a organized program, the response, as Dr. McMahon said, has been very good. Every State that has tried it, every time we have had an organized program, you participate in the program, the response has been very good.

Incidentally, that was also the same kind of response that came without with the IRAs, but the second thing that I think is different that I'm proposing, that not only the parents be able to save and grandparents, and others, but employers. For example, suppose that you create a community service program. One of the things you might do is have high school students participate; they don't get paid, but we will make a $500 contribution to their fund. So it is a way of focussing lots of different things around. The evidence is very strong that people want something like this and will respond, whereas I think the evidence is equally strong that left on their own, they will wake up someday with the child being 18 heading off to college without any resources.

Mr. REED. Would you anticipate a rather direct Federal subsidy to encourage this?

Mr. NEWMAN. I would anticipate for people below a certain income level, a very small subsidy, because when you've got 16 years to go, you provide a small subsidy but it mounts up. It also has the big advantage if there's $200 say matched with $200, it would be $400 in your child's account, you have an incentive to keep ad ding to it.

Ms. MCMAHON. Another dimension you might consider is if you were moving in that direction, is some kind of incentive for a State to establish payroll deductibility processes in the public sector well as encouraging the private sector to do the same.

Mr. NEWMAN. It also has another advantage. Dr. Petrocelli was talking about the Children's Crusade. One of the big advantages of the Children's Crusade and the G.I. Bill was that those programs tell every student you are supposed to go to college; we are expecting you to go to college. Now shape up. One of the things that happened with the G.I. Bill, if you remember, we approximately, a little more than doubled the percentage of the age group that went to college from 1940 to 1950, and the prime thing that happened was that a lot of people suddenly woke up with the G.I. Bill and they said the government says I am supposed to go to college, maybe I should go, and bright people ended up going to college.

Mr. REED. Another question, a general question for the whole panel, are you sufficiently persuaded that students are aware of the, even the limited opportunities of Federal a id that exist now? Is student awareness a problem? I heard comments saying on typical campuses, they only saw some real good information on the armed services because they are promoting their programs and they are there to recruit. Is that an accurate comment?

Mr. WOODWARD. I think the awareness of student aid programs is increasing. It was a major problem. The Children's Crusade is reaching third grade students; the Financial Aid Association and admissions associations are trying to reach the students from the fourth to the seventh grades, and we all are trying to get an early awareness program into the high schools and TRIO programs through all these efforts, I think there will also be a segment of the population that is not aware of it possibly because they are first generation students, but the problem has existed but I think it is being overcome.

Mr. REED. Finally in terms of the philosophical basis of some of your testimony today, it seems to me when, Dr. Newman, your suggestion that we have institutions report more, accountability certainly is a key element, key point of discussion in the last few years. Doesn't that raise the issue of standards, that is, certain institutions might, if they chose to lower their standards, graduate everyone. Do you foresee, how do you foresee the Federal Government evaluating State or using this data and ultimately does it really reach the question of what type of student, what type of graduate really do we want to have and who should make that judgment.

Mr. NEWMAN. Of course that is always a danger with any information. My own strong sense is that the more informed students and parents and others are, the better off we are all going to be. There is a nature of the people that people will misuse it. The evidence so far is the other way around. For example, for a long time

we said that we shouldn't have information and in fact still by law, National Assessment for Education Progress cannot report on a district by district bases. Because people didn't want that, they are out. Now States are themselves finally coming around and demanding that all of their schools, school by school, report data and I think it's a very positive effect.

It is true, one might take the Community College of Rhode Island is going to have a much higher dropout rate than the University of Chicago, which will have a higher dropout rate than Brown. Dropout rates are directly correlated with selectivity of admission. The students that are best at taking class and taking exams are most likely to stay.

On the other hand, all community colleges don't have the same completion rate. Several of them have markedly high, Miami Day, the Phoenix system, have much, much higher rates, but when they all report, the question is going to be asked, why don't we have rates this high and the student is going to say, as student athletes are now saying, student athletes are now beginning to ask questions, "Coach, I admire you but I sort of would like to graduate. I notice only 14 percent of your students graduated." You know what is going to happen, that number 14 is going to go up because the coach is going to get a program in place. I think there are dangers but I think the person that has to use the data the most is the student and I think it's the student that has to choose and there will be different choices. Right now what we choose on prestige and prestige is largely a function of the excellent research, which does not have a lot to do with the education.

Mr. REED. One final question. It seems to me that basically there are two axes which we evaluate to assess to financial assistance in higher education; one is merit and the other is need and, somewhere within that we say this is the place where we should be, and there are other factors that come in. We have been talking a lot today about financial need and I'm just wondering your thoughts about where we are in sort of maximizing those combinations of merit and need. Any thoughts on that?

Mr. NEWMAN. I think there is a third axis and that's service, and in fact historically service is one of the biggest.

Mr. REED. That's how I got my scholarship.

Mr. NEWMAN. That's how I got mine. I think most of us that got it way, it's not a bad way. For example, we were talking about a hundred thousand dollars, we are desperately short of doctors in rural areas. Why not say we will pay half of your tuition at medical school, but you have to practice 4 years in a rural area, after that you are on your own. We had a program, it was a loan forgiveness program, but at any rate, I would argue we ought to focus heavily on service and talent will take care of itself.

Senator PELL. I think we have a similar program in the Public Health Service.

Mr. NEWMAN. We have had one, it is very constrained at the moment.

Mr. WOODWARD. The Association of Financial Aid Administrators in the testimony last May indicated that we are not in disfavor of the merit program but we would like to see the need based students receive their funds prior to fun ding for a merit program.

Ms. LOWEY. Just one comment on the last conversation and a question, Dr. Newman. I have been very interested in loan forgiveness programs and specifically for teachers, drug abuse counselors, child care workers, in areas that are so critical to our communities where we just have not been successful. I have been told by Chairman Ford, as we've discussed many of these programs, that historically they have not been very successful in recruiting youngsters. I wonder if you care to comment.

Mr. NEWMAN. We did a look at that some years ago and I would say that is right. Loan forgiveness works much less than what I would call the opposite approach which is ROTC. If, for example, think of taking ROTC and applying it to teachers, saying inner city areas. The big advantage, and we put a lot of time in and asked the people running the ROTC programs about the nature of how it worked and one of the questions we had was do new ROTC officers just dog it because we've got 40 years or 2 years, or whatever. They take the most existing assignments, the most difficult assignments, they say "I am not going to be around here, I don't have to worry about making general or admiral, I might as well be a paratrooper if I'm going to be here," and that's the spirit you want to in going after people, so why not say we will fund you after your freshman year, if you want to teach, we fund you and again you work for 3 years in an inner city thing.

The other big advantage that ROTC has and this kind of program for teachers, is you start out beginning ROTC students, you start out doing your weekend drills. By the time you are a senior, you know what it is like and you know whether you want to do that or not, and what happens to a lot of teachers is they get out there and find out they are in an inner city and that's the last thing they want to do.

Ms. LOWEY. Thank you, and that's certainly an area that I would like to pursue. Dr. McMahon, I thank you for your testimony and I would like to pursue the area of testimony which specifically States that in the careers where there is the most intense demand, certainly physical sciences, biological science, mathematics, you have the fewest women. Now, looking at the research that has been published recently, it seems young girls are turned of at the age of 13 and don't enter those fields. It's more and more difficult to put them back on track. What I'm interested in, given that research to focus groups and various polls that have been done, do you feel that through appropriate incentives, some of which you mentioned here at the post secondary level, you can still turn these young women and encourage them to enter these fields, or do you feel it's really too late and we have to focus our energies on that early age, 13, or 14 where they got turned off originally?

Ms. MCMAHON. I think you have to look at the entire pipeline and address the problem across the pipeline. I do think there are some encouraging signs. I understand there is a report about to be published by the Office of Educational Research that indicates that the numbers of young women who are taking mathematics and science at the secondary level are increasing significantly. In fact, one of the conclusions of the report is that this is a study of the class of 1975, and they followed them through for the intervening years and the conclusion of the report, as I said, I haven't seen it but I

have a heard a report on it, is that the major problem now is in the work place, and not in the earlier part of the pipeline. Not that it doesn't have to continue to be supported, but there are significant signs of increases in women's interest in these areas. The critical question I think is—but that narrows as we go up degree levels, so I think that we need the support, certainly, to continue the support at the elementary secondary levels and encourage participation of young women in these areas, but I think also we need to focus more on what are we doing if they come through the elementary secondary pipeline and headed in the right direction, what turns them off in terms of moving on to the more advanced levels and I think it's largely lack of visible and adequate support.

Ms. LOWEY. Has there been any research done in the ability to turn a political science or English major into a chemistry major? I think that's the direction I was heading or Physics major in college, or is it too late by then to turn them a round?

Ms. MCMAHON. It sounds hopeless. Well, I think there is—perhaps Brown medical program is an indication of the fact that encouraging people to take nonscientific or liberal arts programs at the undergraduate level, and that seems to be working very well and they move on into the scientific fields at the medical level.

Mr. NEWMAN. You have to remember what we are primarily doing is turning math and science majors into political science and English majors, that's what is happening.

Ms. LOWEY. Absolutely, and the Carol Gillian study at Harvard, she seems to be focussing on 13, 14 year olds and once you get up to the college level, it's very hard to turn an English major into a science major.

Mr. NEWMAN. As a minimum, one of the big things happening in both high school and middle school and high school and particularly college level, we are going to teach differently. We teach math and science in a way that turns students off.

Ms. MCMAHON. One of the findings, too, is that it's very helpful to get parents involved in programs, because sometimes teachers, because we have, particularly teachers who have been at it for a long time, tend to encourage young men in this direction but not to encourage significant young women and Minnesota, for example, has a program in which they involve parents at a young age and encouraging young women to move into mathematics and science. It seems to be quite effective.

Ms. LOWEY. Perhaps we can pursue it at another time, but I think at the elementary school level you have primarily women teachers and therefore by making them aware of these kind of prejudices, and make them aware of the sensitivity, that certainly helps in turning women into mathematicians or chemists or whatever, you can be more effective in that goal and perhaps we can pursue this at another time but I certainly do appreciate all your testimony and I thank you, Senator.

Senator PELL. Following up your thought to augment that, we can be more productive if we had more engineers and fewer lawyers.

I think we should bear in mind that a field hearing such as this does not happen without a greet deal of behind the scenes work. Brown University has helped us tremendously. I would like to pay

particular thanks to Susan Stroud of the Center For Public Service, Melissa Lynch and Doris Ahlberg, University Relations, Sam Strait, Director of this John Hay Library, Jack McCall for the room set up, Bill Schrack, Director of Special Events, Mark Nichol, the News Bureau, thank you all very much indeed.

We have two additional sets of recommendations I would like to make part of the official record for today's hearing. One is from the Rhode Island Permanent Advisory Commission of Women and the other is from the Ivy Council Coalition of Ivy League Students. Both sets of recommendations will be carefully read and considered by the Joint Committees and I would also add that the record of this hearing will be left open for a week in case any further written testimony is offered.

[The recommendations follow:]

Prepared Statement of Rhode Island Permanent Advisory Commission on Women

The Permanent Advisory Commission on Women in Rhode Island (ACW) welcomes this opportunity to present written testimony at this hearing.

The Commission was established by joint resolution of the Rhode Island General Assembly in 1970 to advise the Governor, the General Assembly and other offices of government on issues affecting the status of women in Rhode Island. A major area of focus named in the legislation is promoting opportunities in education and training.

In keeping with this charge, the Commission has worked for many years to increase opportunities for women in postsecondary education. Based on this experience, the ACW supports the following provisions in the reauthorization of the Higher Education Act.

—Simplification of the financial aid application and approval process for AFDC recipients. AFDC recipients are financially eligible for aid by virtue of their AFDC status. They should, therefore, not be required to complete the cumbersome application form which results in lengthy delays that impede their ability to secure access to critically needed courses.

—Adequate funding for an expanded Federal commitment that would allow academically and economically disadvantaged women to enroll in and succeed in postsecondary education.

—Adequate funding for the support of the extension of continuing higher education under Title I of the Higher Education Act passed in 1986—Postsecondary Programs for Nontraditional Students—to serve as a grant program to assist institutions to serve adult students.

—Adequate funding and incentives for states to institute early intervention and achievement programs for at-risk children, such as the Rhode Island Children's Crusade for Higher Education model program.

—Definition of the financial aid program (Pell Grants) as an entitlement program as opposed to the present capped allotment.

The Rhode Island Permanent Advisory Commission on women believes that these actions will provide positive steps towards one of our Nation's highest priorities—educating all of its people for participation as members of the workforce and of society.

Prepared Statement of W. Kenneth Murphy Jr. and Modassir Khawaja, Brown University

Federal Financial Aid Resolution

We, the members of the Ivy Council, are extremely concerned with the state of higher education in our country today. While we understand the grim economic realities facing this Nation, we are convinced that without a commitment to higher education there will be no future. Only an educated citizenry can compete in an increasingly technological and global age. What will happen to the American dream when middle-class Americans can no longer have access to a college education? In

order to renew this Nation's commitment to higher education, we offer the following recommendations:

1. Pell Grant Reform: The Federal Government has relinquished its responsibility to provide the middle class with an opportunity for a college education. The 1978 Middle Income Student Assistance Act (MISAA) set a cap for aid at $25,000 ($50,000 in 1991 dollars), now only 5 percent of students whose family income is over $30,000 receive Pell Grants. This is a proportionality small number of students who would otherwise be eligible:

—Raise the maximum grant to $4,000; $2,500 for living expenses and up 25 percent to $1,500 for tuition;
—Establish an automatic yearly adjustment for the Pell Grant program based on the Consumer Price Index (CPI);
—Increase eligibility in line with the original intent of the MISAA.

2. Loan Reform:

—Increase Stafford and Perkins loan limits to $3,500 for first-year students and $6,000 for all subsequent undergraduate years. Provide for regular increases in these limits based on CPI adjustments;
—Allow the Department of Education to differentiate between 4-year, 2-year, and trade school programs in order to avoid discriminating against those schools which have the most effi[illegible]y managed programs. The loan default classification system must be reth[illegible]ght;
—Establish loan deferment and loan forgiveness programs for graduates entering: Teaching, public service, community service, and 501(c)(3) non-profit organizations; S. 527/H.R. 1668 is essential to this effort;
—Exempt the value of homes and farms from consideration as assets for the purposes of determining Stafford and Perkins loan eligibility in order to: (a) make low-interest loans available to the middle-class, and (b) reduce overburdensome and inaccurate Expected Family Contributions.

3. Work-Study Reform:

—Expand the College Work-Study program in order to provide a viable alternative to loans and debt;
—Remove the word "local" from the definition of "community services" in the Job Location and Development Program and in the Community Program in order to allow students to work in different states from the one in which they attend college.
—Set a Federal minimum, over 10 percent per campus as a percentage of students receiving aid, of off-campus work-study positions in order to increase career-related skill training.

Reauthorization of the Higher Education Act promises to protect the advances in educational opportunity that began with the G.I. Bill. We, the Ivy Council, are mindful of the economic realities facing our Nation; rather than pressing for unattainable goals or giving up all hope, we are seeking productive solutions to what is truly a national dilemma, assuring students access to higher education.

Respectfully the Ivy Council: Brown University, Columbia University, Dartmouth College, Harvard University, and Princeton University.

Co-authors: W. Kenneth Murphy Jr. Brown University; David Frost and Shawn Landres Columbia College. Additional research by Sarah Wolman and Jack Hidary Columbia College.

Senator PELL. I will finally say in the 22 years of being a member of the subcommittee and 16 as chairman, I think this is as good a hearing as we have had and thank the witnesses, particularly my colleagues for being here, and the audience, thank you.

[Additional statements and material submitted for the record follows:]

PREPARED STATEMENT OF KRISTEN BRENNAN AND WILL WADMAN, BROWN UNIVERSITY, CLASS OF 1993

As students participating in the College Work-Study Program, we believe that the existing provisions governing the work-study policy are grossly inadequate. After extensive research into the utilization of CWS moneys at several universities and col-

leges, we have concluded that the program would be greatly improved by the following amendments:

—Mandating that 35 percent of a school's Federal allocation be used to fund two areas:
1. Jobs in which students work off-campus, to which we recommend 25 percent of the total moneys use, and
2. Collaborative research/learning opportunities with faculty and fellow students, to which we recommend the remaining 10 percent be allocated.
—Also mandating that of the 5 percent of total funds currently reserved for administering the college work-study program, a corresponding 35 percent be used for coordination and promotion of off-campus jobs and the proposed experiential learning opportunities.

We recommend these amendments for several reasons. The lack of sufficient explicitly allocated money for off-campus employment allows colleges and universities to violate the intent of the CWS program in two ways; first, by restricting student initiative to work and interact with the community, and second, by allowing universities and colleges to subsidize on-campus student jobs such as food service work and maintenance positions which are of questionable educational value. The original intent of the college work-study program (as stated in Part C, Section 124 (a and b) of the Economic Opportunity Act of 1964) was to subsidize work that is "related to the student's educational objective, or ... will be in the public interest and is work which would not otherwise be provided." By heavily restricting the number of students allowed to use College Work-Study funds for off-campus employment, colleges and universities prevent students from realizing opportunities envisioned by the original art.

In addition, the number of students participating in community service has been increasing in recent years. Unfortunately, this trend has not been reflected in policy changes in the work-study program. This has created a situation in which students from lower income backgrounds face time constraints which make volunteer community service extremely difficult. In a 1989 study conducted at Stanford University, 86.3 percent of undergraduates receiving financial aid reported that "economic considerations" did prevent or limit their participation in public service. In addition, 78 percent reported that "allowing service jobs to qualify for work-study would increase their involvement." Clearly the CWS program should be structured to reflect and encourage students' initiative to work in the community.

Furthermore, current practice has deleterious effects on relations between the community and the local college or university. By limiting the opportunity for students to interact with the community, potential mutually valuable experiences are lost. Such isolation and tension between a school and its community would be reduced by implementing the amendments we have proposed.

Finally, if the College Work-Study program is not amended, there will continue to be larger social and economic repercussions. Every community has unmet social need such as assistance for the poor and homeless population, mentoring for at-risk adolescents, child care and after school programs, and assistance for the elderly. A university or college is a logical resource to fulfill these needs. If left unmet, these needs compound and result in future social and economic costs that could be avoided if addressed now. The reauthorization of the Higher Education Act of 1965 offers a crucial opportunity for us to amend the College Work-Study Program so that it allows students to address these community needs thereby saving future Federal costs as well as curbing potential social strife. Our proposed changes in the College Work-Study Program are crucial steps in realizing the true original intent of the act: A visionary attempt to combine learning experiences and service in ways which are beneficial to the students, the school, and the community.

Prepared Statement of Timothy P. Connors, Executive Director, Rhode Island Children's Crusade for Higher Education

You have spoken about the pipeline for disadvantaged youth which brings them through secondary school and on to college or other post-secondary programs.

I submit to you that unless steps are taken to implement early intervention programs rather than a pipeline, we will continue the funnel approach to higher education. This approach invites everyone to participate in the educational process. However, it does little to motivate the disadvantaged child or their parents. For the disadvantaged, the pipeline is a "funnel" with a very small end. As a result, by the third or fourth grade, disadvantaged children think work and not college.

In the State of Indiana they based their projection for the need of prison housing on the number of disadvantaged youth in the third grades in their State. This is a sad comment on our educational system. We should be making every effort to be motivating all of our children during their first few years in our schools to be thinking college and of setting career goals. The message for all of our children must be that every child can learn, every child can graduate from high school, and that every child can go to a post-secondary education program.

For several years, I was principal of a very affluent high school in Massachusetts from which 93 percent of the graduating class went on to higher education. The students attending this high school were expected, at birth, by their parents to go on to college. When they entered elementary school, their teachers knew then that these students would go on to college. The fact is that these parents and their teachers expected these young people to go on to college. The students fulfilled that expectation.

Compare that with my experience in Rhode Island, where I was superintendent of an economically disadvantaged school district (Woonsocket) for 10 years. In this community, only 30 percent of the students graduating from high school go on to post-secondary education. Some 25 percent of the class drop out of school before graduating.

For the children in this community, most of the parents are concerned about being able to feed and clothe their new born children. Few think of sending them on to college. When these children enter elementary school, their teachers know that they will go to work after leaving school. As a result of lower expectations, the children in economically disadvantaged communities do not expect to go on to higher education. In fact, a large percentage of them don't expect to graduate from high school.

If we want to encourage the economically disadvantaged student to go on to college, we need to invite those students to college while they are in elementary school. We also need to tell their parents that if they work with their children and get them to graduate from high school, financial assistance will be available for their child to go on to college.

Only by including a program like the RICCHE in Reauthorization Act can we begin to address the educational needs of the disadvantaged. Unless the message is clear in grade three that we expect these children to go on to higher education, too many of them will drop out of school, get in trouble with the law or end their education upon graduation.

To offer financial assistance to students in grades 11 and 12 is too late. The target population for financial aid by this time has either dropped out or planned to go on to work. If the offer of financial aid is made known to every parent and child as early as possible, the parent and child can set their goals accordingly and have expectations of participation in the American Dream.

Early intervention programs within the Reauthorization Act will replace the funnel with the pipeline that is needed for all children to have access to college.

Senator PELL. The subcommittees will stand adjourned.

[Whereupon, at 12:10 p.m., the subcommittees were adjourned.]

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